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Japan

Sources Remark on Gorbachev Visit, Expectations

OW0404114091 Tokyo KYODO in English 1131 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Soviet President Mikhail Gorbachev is unlikely to bring with him to Japan this month a "radical" proposal to resolve the two countries' long-pending territorial dispute, Soviet diplomatic sources said Thursday.

The sources, who spoke on condition of anonymity, also expressed concern that the Japanese public's expectations for Gorbachev's visit April 16-19 may be too high.

"The Japanese are waiting for too much," said one source. "I don't believe there will be a radical solution to the problem in this single visit," he added.

The diplomatic sources noted that Soviet leaders have stressed in the past that the two countries "most difficult problems," an allusion to the territorial dispute, cannot be solved in a single visit by a Soviet leader.

The Japanese media are widely speculating that Gorbachev will offer to return at least two of the four disputed islands, seized from Japan at the end of World War II, when he comes to Tokyo.

Japan has called for Soviet recognition of Japanese sovereignty over all four islands—Kunashiri, Etorofu, Shikokan and the Habomai group—and some reports say Gorbachev may go that far in return for a promise of massive Japanese economic assistance.

But Soviet diplomatic sources stressed the difficulties Gorbachev faces when it comes to the question of ceding territory, including Soviet public opinion, the separatist movements in the country, and domestic political pressures.

The diplomats also confirmed that the Soviet Union is looking at Nagasaki as the most likely target for a visit by Gorbachev outside Tokyo.

They noted that Nagasaki is one of the best known Japanese cities to the Soviet people, not only because it was devastated by an atomic bomb in World War II, but because it was the site of many of the first contacts between Russians and Japanese.

They said Gorbachev is likely to visit the graves of the over 1,000 Russian sailors buried in the city, which is in southern Kyushu, the southernmost of Japan's four main islands.

Gorbachev To Visit Nagasaki

OW0304151191 Tokyo KYODO in English 1357 GMT 3 Apr 91

[Text] Tokyo, April 3 KYODO—Soviet President Mikhail Gorbachev will visit the atom-bombed city of Nagasaki on April 19, the final day of his four-day visit to Japan, government sources said Wednesday.

During his stay in Nagasaki, Gorbachev will pay homage at a Russian cemetery, the largest of its kind in Japan, the sources said.

The Foreign Ministry had been reluctant to accept the plan because of the president's tight schedule and security concerns.

However, the ministry will likely add the trip to his schedule because of high expectations from the people of Nagasaki in addition to a strong desire from the Soviet side to make the visit, they said.

Gorbachev, the first Kremlin leader to visit Japan, is scheduled to arrive in Tokyo on April 16. On April 19, he will go to Kyoto by train and then fly to Nagasaki from Osaka, the sources said.

Defense Aspects of Gorbachev Visit Viewed

OW0404010091 Tokyo KYODO in English 0007 GMT 4 Apr 91

[By Tadashi Matsumoto]

[Text] Tokyo, April 4 KYODO—Japan hopes Soviet President Mikhail Gorbachev's upcoming visit to Japan will prompt substantive Soviet military cuts in East Asia, relaxing tensions there just as Soviet troop cuts have eased European tensions, Japanese Defense Agency officials say.

The Soviet military presense in Asia has long concerned Japan and its neighbors. Soviet military forces in East Asia cannot be called defensive, said Masayuki Fujishima, director of the Defense Planning Division of the Defense Agency.

There is no need for Moscow to deploy a huge force in the eastern parts of the Soviet Union, Fujishima says, because there is little to defend. "There are no industrial regions and there is only a sparse population there."

Shigeru Hatakeyama, director general of the agency's Defense Policy Bureau, warns, "Soviet forces in East Asia have strengthened their overall fighting capability qualitatively while reducing the size quantitatively."

Soviet military chief of staff Gen. Nikolay A. Moiseyev told RED STAR, the official military newspaper, late last year that the Soviet Union will trim its force to three million in nine years.

The Kremlin has decided to reduce the Soviet defense budget by 4.5 billion rubles to 66.5 billion rubles in 1991.

Hatakeyama says the Soviet military, however, remains a particular threat to Japan and East Asia, so the nation remains on alert against Soviet military forces in East Asia.

The Soviet Union reportedly deploys about 60 percent of its 41 Far Eastern army divisions, about 360,000 troops, in the Primorskiy Kray, Sakhalin Island, and the Kamchatka Peninsula, all within 1,200 kilometers of Hokkaido in northern Japan.

About 70 percent of its 2,240 fighters and bombers stationed in the region are along the Sea of Japan and the Sea of Okhotsk. There are about 830 Soviet Pacific Fleet ships in the region, according to the Defense Agency's White Paper on Defense for 1990.

This array of arms means that only Soviet troop cuts in East Asia, and improved relations between Japan and the Soviet Union will contribute to Japanese and East Asian security, Fujishima says.

Defense analyst Tesuo Maeda agrees with Fujishima, but also says a lasting improvement in ties between the two countries will require resolving the dispute over four Soviet-held northern islands.

In addition, the two countries must sign a peace treaty, ending the implacable enmity between them that has existed since the last century, he says.

The Soviet Union has occupied the Habomai Group of tiny islets, Shikotan, Etorofu, and Kunashiri islands off the eastern tip of Hokkaido after World War II. Japan claims the islands and demands their return.

Even if relations improve, the country is not likely to establish military ties with the Soviets, many military analysts say.

The Defense Agency's Fujishima says there are no concrete plans for exchanges of military personnel, joint development of military technology, or frequent port calls by each other's military vessels.

The Defense Agency should not be far ahead of other ministries and private companies in dealings with the Soviet Union, he says.

Fujishima says Japan-Soviet military exchanges must be considered in the context of "overall matters," including the return of the northern islands, a peace treaty, and improved diplomatic relations.

Japan has been an ally of the United States since both countries signed a security treaty in 1951 when Washington ended its postwar occupation of Japan.

Japan, with just 152,000 ground troops, 151 vessels, and about 430 aircraft, is not strong enough to singlehandedly deter any Soviet military activity in the region, Hatakeyama says.

Japan, therefore, will continue its independent defense policy while maintaining the Japan-U.S. Security Treaty as its defense mainstay, he said.

Russian Republic Economic Leaders Seek Aid

OW0404121391 Tokyo KYODO in English 1159 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Russian Republic Economic leaders asked for Japanese cooperation on Thursday in developing its economy in the first meeting of Soviet Union Investment Promotion Co.

"We are neighbors and need a deeper economic relationship," Aleksandr Khomiakov, chairman of the Economic Committee of the Russian Republic, told members of the Niigata-based company, established on March 1 to encourage economic cooperation between Japan and the Soviet Union.

"Our economy has been regulated for 70 years ... And now we can follow Japan as a good example of a market economy," he said. "We strongly need Japan's cooperation."

He stressed that the Russian Republic needs Japan's continued help to develop its natural resources, but added that it is also in need of Japanese expertise and money to develop its financial and food industries.

Khomiakov said, "the biggest cooperation right now is through joint ventures between Soviet and foreign companies," with the number of joint-venture companies surging to over 1,300, of which 700 were established in January and February.

He said there were 50 joint ventures with Japanese companies, "and I'm sure that number will increase."

"The sharp increase shows that foreign firms have confidence in the Soviet Union's economy," he added.

Officials Remark on Kaifu's Upcoming U.S. Visit

OW0404101391 Tokyo KYODO in English 0947 GMT 4 Apr 91

[By Shiro Yoneyama]

[Text] Newport Beach, California, April 3 KYODO—U.S. President George Bush is poised to caution Prime Minister Toshiki Kaifu against promising massive economic aid and technology transfers to the Soviet Union in exchange for the return of four disputed islands off northern Japan, Japanese officials said Wednesday.

Kaifu will on his part explain to Bush in their meeting Thursday the status of Japanese-Soviet talks on a peace treaty which Japan says can be concluded as soon as the Soviets return the northern islands, a senior Japanese official said.

"Prime Minister Kaifu will tell President Bush Japan anticipates a courageous decision by Soviet President Mikhail Gorbachev" to return the four islands during his historic trip to Tokyo on April 16-19, the official said.

The four islands—the Habomais, Shikotan, Kunashiri, and Etorofu—were seized by the Soviet Union at the end of World War II.

A high-ranking Japanese official with the Kaifu party here said, economic aid and technology transfers to the Soviet Union "will come up in the summit" with Bush.

There is speculation that Japan may provide massive financial aid of as much as 20 billion dollars to the Soviet Union in a bid to talk the Soviets into turning over the so-called northern territories.

Kaifu and Bush will also encourage the Soviet Union to carry out its promised economic and political reforms and will reaffirm close Japan-U.S. dialogue to keep tabs on the Soviet Union's peace overtures in the Asia and Pacific region, officials said.

The two leaders will also discuss economic reform in China, another key player in the region, the officials said. Japanese Foreign Minister Taro Nakayama leaves for Beijing on Friday for talks with Chinese leaders.

Officials said Kaifu will relate Japan's concern about North Korea's nuclear program, which Western intelligence suspects is connected with weapons development.

"The North Korean program will have potentially dangerous consequences for Japan's security," a Japanese official said.

Japanese officials acknowledged that Japan's limited contribution to the U.S.-led multinational forces during the Persian Gulf war disappointed many Americans, but said Kaifu would reiterate the spirit of Japan's global partnership with the U.S.

During their last California summit in Palm Springs in March last year, Kaifu and Bush spoke of a "conceptual framework" for a global partnership.

An official said that Kaifu will stress the leadership role of the U.S. and Japan's readiness to play a key role in bringing about peace in the Middle East, successfully concluding the Uruguay Round and giving financial aid to Latin America.

Kaifu will also tell Bush about Nakayama's upcoming trip to Israel to strengthen ties with the Jewish state, the official said. But he said Japan will continue to stick to its double-track approach toward working for resolutions to both the Palestinian Issue and Arab-Israeli conflict.

The Premier will also brief Bush on the domestic debate about Japanese participation in peacekeeping operations in the Gulf region, and propose an expansion of grassroots dialogue through his Communications Improvement Initiative (CII), the official said.

On trade and economic issues between the two countries, a senior Japanese trade official said Bush will underscore the importance of the Uruguay Round.

He said Kaifu will offer "indirect" support to Bush for his campaign to win a two-year extension of fast-track authority procedures, possibly sharing the view with the President that progress on agriculture, services and market access are crucial for the Round's success.

"I will not be surprised even if President Bush raised the rice issue," the trade official said.

Construction, semiconductors, autos, and the Structural Impediments Initiative (SII) are among the trade issues which will be mentioned in the summit, Japanese and U.S. officials said.

Kaifu will urge Bush to come to Japan at an early date, possibly before the annual economic summit of seven leading industrial democracies, scheduled for London in July.

MITI Criticizes FTC Antimonopoly Rules

OW0404114691 Tokyo KYODO in English 1051 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—The Ministry of International Trade and Industry (MITI) has criticized proposed antimonopoly enforcement guidelines, claiming they are vaguely worded and could damage Japanese businesses, MITI sources said Thursday.

MITI has submitted its critical view on the Fair Trade Commission's (FTC) guidelines to the FTC seeking a revision, the sources said.

An official of MITI's industrial policy bureau said the guidelines could retard corporate activities and contradict the spirit of the antimonopoly law.

"The draft antimonopoly law guidelines concerning distribution systems and business practices," released on January 17 by the FTC, was formulated in line with Japan's pledge in bilateral trade talks with the United States to boost its antimonopoly enforcement.

The FTC solicited comments on the guidelines from a wide range of business and governmental sectors at home and abroad.

The guidelines are aimed at clarifying the enforcement policy of the antimonopoly law concerning business practices that hamper fair competition and market entry.

MITI especially took exception to a statement in the draft guidelines that says if companies superior in price competitiveness, product quality, or corporate management ability face difficulty in entering a market, that means competition in that market is virtually restricted.

MITI argued the expression is vague, providing no clear criteria or definition of superiority in those three areas.

The MITI official said, for example, there are cases where a company cannot sell products because of poor aftersales service, even if their products are competitive in both price and quality.

MITI is also unhappy about the part of the guidelines concerning acquisition or possession of trading partners' stocks.

The guidelines say it could be an unfair trade practice if holding shares of a trading partner affects the partners' decision making process and hinder its free choice on with whom it does business.

The MITI official said, unlike holding shares of a competitor, it is rare that possessing shares of trading partners has any major negative impact on competition.

"Companies should be allowed to make any good use of their vantage position as a shareholder within the legal border," he said.

Government Offers To Help Monitor Gulf Truce

OW0404063891 Tokyo KYODO in English 0606 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Iraq should accept the United Nations Security Council's terms for a formal ceasefire in the Persian Gulf War, and Japan is prepared to dispatch civilians to help monitor any truce, top government spokesman Misoji Sakamoto said Thursday.

"Japan will cooperate with United Nations activities as much as possible, and will continue to make active contributions to restoring peace in the Middle East," Chief Cabinet Secretary Sakamoto told a regularly scheduled news conference.

The UN Security Council passed a resolution Wednesday setting the terms for a formal ceasefire and lifting of sanctions against Iraq.

Sakamoto cited financial assistance and the dispatch of civilians to help maintain communications between UN peacekeeping forces and UN Headquarters as areas where Japan can contribute.

Japan's war-renouncing Constitution is widely interpreted as banning the dispatch of military personnel abroad, and last year opposition parties defeated a government bill that would have allowed Self-Defense Forces personnel to participate in peacekeeping operations approved by the UN.

Sakamoto said that the Government would also study ways to assist a UN committee to oversee the destruction of Iraq's chemical and biological weapons as well as its ballistic missiles and materials that could be used in nuclear weapons—conditions imposed on Iraq in the latest UN resolution.

Administrative Vice Minister on Foreign Policy

OW0204014091 Tokyo NHK General Television Network in Japanese 1430 GMT 31 Mar 91

[Interview with Takakazu Kuriyama, administrative vice minister of foreign affairs, by Hideo Yamamuro, NHK commentator, place not indicated; from the "Viewpoint" program: "The Future of Japanese Diplomacy"—live]

[Text] [Yamamuro] Thank you for being with us despite your busy schedule. Although I have various things I want to ask you, the major purpose of our inviting you here today is to ask you, in connection with the feeling of impatience or exasperation—this is a little abstract wording—about the recent spreading of Japanese diplomacy among the Japanese people. I think this feeling began last year, particularly since the Gulf crisis, over the handling of the UN Peace Cooperation Bill. Furthermore, this feeling is being voiced by both the right and left, which are politically adverse to each other. There are indications that even foreign countries are commenting about Japanese diplomacy.

So, if you do not mind, I want to ask you about the principle of Japan's external action or the doctrine of Japanese diplomacy. First, it is said that the cold war has ended and, in this connection, I would like to ask you about the perception you have of the current international situation.

[Kuriyama] I think all the people in the world, including the Japanese people, feel that the world is changing very rapidly and wonder where the world is headed to. We ourselves entertain the same feeling. Why? The way of thinking, the mechanism or framework of international relations, and international order, which have formed the basis for our thinking for 45 years after the war, are undergoing drastic change, even in the political and economic areas. I think that the framework which we have depended on in thinking about an issue in the past is vanishing. Postwar East-West relations, which you just mentioned, are undergoing drastic change. In the economic area, too, the postwar free trade system is being cracked by various protectionist moves, thus producing the situation in which a new world economic order is emerging. The people of the world, including the Japanese, are feeling somewhat apprehensive about this. I think they are feeling that the world is becoming uncertain and opaque.

What should Japan do under this situation? I think that this is the basic task we face today. The task for Japanese diplomacy, I think, is precisely that we need a new compass. I think that Japan has a so-called doctrine for its diplomacy. If you ask what it is, I would say that our Constitution, the Japanese Constitution, clearly states in its preamble what the country of Japan would like to be. In his general policy speech to the Diet in March last year, Prime Minister Kaifu dealt with the international order which Japan seeks now and in the 21st century. Describing it very simply—it is very plain in a certain sense—the world which Japan seeks is a world in which peace, freedom, and democracy are respected more, in which a global economic order or an open economic order is established, and in which diverse values are left open, and a more humane world which is more comfortable to live in. Therefore, Japan aspires to build that kind of world under the principle of international coordination and cooperation. This is the ideal stated by the Japanese Constitution in the first place. I think that Japan is assigned the responsibility for establishing a new order today. In that sense, therefore, I think that the goal and the doctrine for Japanese diplomacy are already manifest. To make them more manifest, I think, is to act and practice.

It is often said that Japan has no face. To have no face means that Japan has no principle or position to lean on or depend on. Therefore, it should say more clearly how it wants the world to be, as I have just mentioned, and what it wants to do in that process. And, above all, it should carry it into practice. It should not only speak in words but also translate its words into concrete actions.

[Yamamuro] I agree with you, but this is too abstract to understand. The people say that no one has any reason to object. The present situation is very unclear as you described earlier, and a new world order is yet to be visible, and it is in the making now. Under these circumstances Japan should do something to contribute and participate actively. I get the impression that otherwise, the world's and international impression of Japan, which I dare say is mistaken, cannot be corrected. The tone of argument in a U.S. magazine, for example, which described Japan as a defeated nation in war, cannot be corrected unless Japan makes active participation. Actually because of the Gulf war, we were violently jostled. I do not know if it is safe or not to say that the war has ended now, but was there any lesson for Japan to learn from the war? If you think you have any lesson from the war in your capacity as the official in charge of Japanese foreign policy, please state it. You can state it as you would talk to young diplomats starting their career now.

[Kuriyama] Well, I deeply felt that the Gulf War was perhaps the most critical ordeal for Japan in its postwar diplomacy, because it was our first experience, in a sense of independently making decisions on what actions to take in dealing with an actual war, in the postwar period. The Korean war broke out after World War II, but Japan was still occupied by the United States at that time, and still trying to recover from its defeat. We were still removed from such a situation at the time of the Vietnam war.

Perhaps, we faced such a situation for the first time in the post- World War II period. Regarding Japan's security in the post-World War II period, however, there is a kind of global framework, which I explained earlier. Japan dealt with the situation in a passive manner within that framework. We promoted diplomacy to protect Japan's security by adopting the existing international order. This was a natural thing to a medium-sized or small country. We did that very well. Because of that, Japan was able to maintain peace and to achieve the prosperity that we enjoy today.

Times have changed. And now, the order itself has changed completely, as I explained earlier. I think the Gulf war would not have happened if the severe East-West confrontation, or the Cold War still existed. The time has come, however, for Japan to join the international efforts to make a new order, as I said earlier. Japan's role in the international community has become influential. Japan's intentions may not be clear to other countries. Because of this, other countries view Japan as a nation which does not have a face or a nation that looks strange, or threatening to them in some cases. Results of public opinion polls in the United States show continually that Americans think Japan's economic threat surpasses the military threat of the Soviet Union. Results are the same, no matter how many times polls are conducted. I think that Americans feel that they cannot clearly understand in which direction Japan, which grew economically to this scale, is trying to move or what Japan is trying to do for the world. Thus, I have been saying that Japan must promote diplomacy equal to a major country.

What I mean by diplomacy of a major country is to actively join other countries in exerting efforts for establishiment of an international order. We have to change our diplomacy from that of a medium-sized or small country to that of a major country as soon as possible. Otherwise, the world will think that Japan is an irresponsible major nation or a monster which is big only in appearance. Thus, I once said that Japan needs to promote the diplomacy of a major nation without the presence of one.

The reasons why we should not have the appearance of a major nation are as follows: First, Japan should firmly continue to maintain severe self-examination of its history before World War II, in which it took the wrong course. There is another reason which is very closely related to the first one. Second, Japan should not become a major military power. As a way of life, Japan has maintained that it will not play a military role in international politics. It is a good policy, but it is also a handicap. Third, Japan displays its capability in technological and economic fields. Japan has been called a technological or economical major nation. Japan has outstanding capability in these fields. These alone, however, are not enough from an international viewpoint to make Japan a major nation. Japan is a distorted country in terms of culture and ethics.

In addition to economic, technological, and military powers, there are other elements that help a nation to acquire influential power. To other countries, these are the areas in which Japan keeps a low profile. Frankly speaking, we have to promote diplomacy based on the fact that there is a limit to the power of money in international politics. In that sense, I said that we should not keep a face of a major country. Qualitatively speaking, however, we have to change from the passive diplomacy of the past to active diplomacy. The problems Japan now faces has surfaced in a condensed form over the Gulf war issue. The people need to discuss the issue among each other. Japan is a democratic country so that we cannot promote diplomacy without consensus of the people. However, without consensus....[Kuriyama changes thought] The situation changed every day in the Gulf region and the entire world was watching us, wondering how Japan would act. We had to make our decisions under such circumstances and take appropriate actions. We were under intense pressure.

[Yamamuro] As far as we can see, apart from the question of whether Japan has a Middle East policy of its own—it probably does—there has not been one instance in dealing with the Gulf when the United States was not involved. I feel strongly—forgive my expression—that Japan has been pushed around by Washington or the central armed forces command in Riyadh. I would like to ask you about Japan-U.S. relations. Since the Gulf war ended—shall I say, as was expected—various demands on economic matters, including rice import liberalization, are being raised again. Even though the $9 billion is regarded fairly well at governmental level, there is the strong impression that it is not so appreciated at the general public level in the United States. What is your view on this Japan-U.S. relationship, or your understanding of the United States itself?

[Kuriyama] The Japan-U.S. relationship has changed very much in substance over the past 10 years in two aspects, I think. One is that the United States has come to recognize the importance of Japan, regarding it as a country very essential for the United States' own national interests. The people in government and Congress, as well as the general public, recognize this. The recognition that Japan is a partner in international politics and economy has become clear. When Mr. Mansfield said long ago that the Japan-U.S. relationship is the most important in the world for the United States, people could not believe it.

[Yamamuro] He wrote a book, right?

[Kuriyama] Yes. Now people feel he was right. On the other hand, as you said, there are various bilateral issues. There are claims that Japan may be a partner, but the face of this partner is not visible, or that it is doing in action what is expected of a partner. There are irritations—or should I call it frustrations—in the United States. As the United States' international position is being relatively lowered, its feeling of losing confidence in itself is showing up in responses to Japan.

To remedy this situation fundamentally, I think, Japan, rather than being concerned with the United States, should think about what it should, or must, do in the areas of international trade or international peace, and then go on implementing, without hesitation, what it has decided to do. I think that is necessary to remove the United States' irritations and feelings of Japan-bashing, as well as Japan's reactions and discontent in return. Otherwise, even when Japan does something, there will be complaints that it is always doing things called for by the United States and that it is always following the United States. Some call it diplomacy under foreign pressure. As a result, even if Japan takes so many pains to do something good, Japan itself is unhappy about it. [laughs] And, for the United States, this is too little, too late. I think it is necessary that we get out of this vicious cycle.

[Yamamuro] You are right. Japan feels a sense of persecution or, to put it more bluntly, a sense of humiliation in relationship with the United States. The fact that there is such a feeling is most dangerous. This can lead to strengthening nationalism in Japan without any reason. Therefore it is important to establish a relationship with the United States, which does not give the impression that Japan is always following the United States.

[Kuriyama] Indeed, that is the most important point in the Japan-U.S. relations in future.

[Yamamuro] I would like to ask you. The United States alone has become huge militarily. It is most powerful economically in its potential. This world wherein only one nation is becoming outstandingly strong politically, economically, and militarily, well this is extraordinary. Long time ago, a man named (Kaotsuki) wrote a book entitled *Superimperialism*. The man foresaw one country to control world resources. I feel scared. What is your view on that?

[Kuriyama] In that regard, I think the United States feels and recognizes, its limitation. During the recent Gulf war, there was talk about the world's policeman being restored. But, to see how the United States handled the war in fact, politically it used the United Nations and cooperated with other nations, and militarily it carried out the war effort by forming the multinational forces participated in by some 30 nations. Financially, of course, it had help from oil producing countries, and Japan, Germany, and so forth. It was totally different from the Pax Americana of the past. I think the United States itself is very much aware of this.

[Yamamuro] I am sorry that I am hurryning. Foreign Minister Bessmertnykh of the Soviet Union is here. I shall come back to that topic later on. Now, speaking about the northern territories issue, President Gorbachev is due to arrive in Japan on 16 April. Will you comment on the territories issue from the perspective of Japanese-Soviet relations. What state is it in?

[Kuriyama] As you said, the supreme leader of the Soviet Union, President Gorbachev, is due to arrive here on 16 April. This is the first time, not only since the end of the war, but since the Tzarist Russian days—in other words, for the first time in the history of Russo-Japanese and Japanese-Soviet relations—that a top leader of the country has visited Japan. I think this really is a historically major event. Incidentally, the world is changing much, and the Soviet Union has changed, too. To establish the base of peace in the Asian and Pacific region as one which is more reliable, it is necessary that Japanese-Soviet relations be improved to suit the new era. As I have often said, a new house needs a good foundation. If a new house of Japanese-Soviet relations is to be built, we shall have to lay a sound foundation for it. But, to do that, we have to solve the question of the northern territories and to conclude a peace treaty. That's what I have said for the past two to three years. Finally, President Gorbachev is coming. I hope frank discussions will be exchanged between the two leaders of the countries and a breakthrough will be found so that a new era may open in the Japanese-Soviet relations.

[Yamamuro] You may find my question hard to answer but, at the present moment, do you think that remarkable progress will be seen in the territorial issue? I am asking about your impression as vice foreign minister.

[Kuriyama] I am neither optimistic nor pessimistic about it. I think that the Soviet Union also has the perception that Japanese- Soviet relations should be changed to suit the new era. Because of this, I think that probably President Gorbachev is thinking seriously about what to do with the so-called territorial issue now. He will be arriving here on the 16th and hold summit talks with Prime Minister Kaifu. It is our wish to make the talks fruitful by every means.

[Yamamuro] This is another matter that bothers us and it may be a question which you may not like to answer. Liberal Democratic Party Secretary General Ozawa toured Moscow and Washington at such a juncture. Somehow, we can hardly erase our impression that Japnese diplomacy is taking two roads. We wonder if this is permissible. I do not know if it is wrong to have the simple conception that the government should be one flesh and a monolith as far as its diplomacy is concerned. We are a little concerned that it might be taken by other countries as two-faced diplomacy. What do you think about that?

[Kuriyama] Of course, I believe diplomacy should be carried out by the government in a unified manner. However, it is possible for any country to use the right hand or the left, depending on the situation. [laughing] It is possible that the left hand does something the right cannot, or vice versa. If what the party does eventually coincides with what the government intends to do, I think it is good, after all. I see the secretary general's recent tour of the Soviet Union and the United States in that light, and I do not think it will necessarily result in dualizing diplomacy.

[Yamamuro] I see.

[Kuriyama] The most important thing is that it is good as long as the head, or the will of the country—or should I call it the will of the prime minister—remains as one. Of course, it will be a problem if the left hand does not know what the right is doing.

[Yamamuro] In the latest case, before the secretary general left for Moscow or Washington, did the Foreign Ministry brief him in detail about....?

[Kuriyama, interrpting] We briefed him on various things, and he had thorough consultations with the prime minister, too.

[Yamamuro] Is that right? Thank you very much for being with us today.

[Kuriyama] Thank you.

Miyazawa Seeks SDF Participation in UN Forces

OW0304165291 Tokyo KYODO in English 1438 GMT 3 Apr 91

[Text] Tokyo, April 3 KYODO—Former Deputy Prime Minister Kiichi Miyazawa on Wednesday called for the creation of standing forces under the auspices of the United Nations and the participation in them of members of the Self-Defense Forces (SDF) as Japan's contribution to the international community.

Miyazawa, who heads his own faction within the ruling Liberal Democratic Party, told reporters that he will propose the idea at a U.N. disarmament conference slated for late May in Kyoto.

Miyazawa said participation of SDF members in the proposed forces would not violate the Japanese Constitution, which bans Japan from using force to settle international disputes.

He said the SDF members would join the forces as international public servants.

In detailing the proposed standing forces, Miyazawa said the U.N. may recruit volunteers from various countries, or hold a core unit and call on member countries to share personnel at the request of the Security Council, or have stand-by forces stationed in every country.

It is advisable that the U.N. has standing forces of its own, especially given the role it played in ending the Cold War, he said.

Government Refuses To Reschedule DPRK Debt

OW0404042391 Tokyo KYODO in English 0308 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—North Korea has asked Japan to reschedule its 76.8 billion yen debt, asking for a 10-year moratorium on repayment and then a 15-year repayment schedule after that, sources knowledgeable about Japan-North Korea relations said Thursday.

Japan turned down the request, saying North Korea should immediately repay as much as possible, but both sides agreed in principle to negotiate the issue in Shanghai in late May, the sources said.

The North Koreans made the request in recent preliminary negotiations on the debt problem, which were held in Pyongyang with a group of Japanese firms involved in the loans, the sources said.

Although a big gap exists between the two sides, the agreement for the Shanghai talks—the first full-scale negotiations on the problem since the fall of 1987—came amid increasing efforts to normalize Tokyo-Pyongyang relations. Both countries started governmental talks on normalization in January.

The Shanghai negotiations will be held by the North Korean Foreign Trade Bank and a Japanese group of 37 trading houses, manufacturers, and banks. Representatives from more than 10 major Japanese creditors are expected to attend the talks, the sources said.

At the recent preliminary talks in Pyongyang, North Korea spurned a Japanese request for five-year repayment of the debts, the sources said.

But they said Pyongyang officials agreed with a Japanese estimate that the country owed 50,215 million yen in principal and 26,623 million yen in interest to Japan at the end of last year.

Both sides also agreed to hold several talks this year to reach an agreement on the issue as soon as possible. The lack of an agreement has been one of the biggest stumbling blocks to improving economic ties.

Given the North Korea's scant foreign currency reserves, however, prospects are slim that North Korea actually can repay the debts, the sources said.

North Korea's total external debt is said to amount to more than 5 billion dollars, including debts to Japan, European countries, and the Soviet Union.

Payment of those owed Japan, mostly denominated in the German mark, has been halted since 1985, with talks over the rescheduling at an impasse because of worsened political relations.

This leads many analysts to conclude that all Pyonyang can do is to pay its debts from Japan's economic cooperation it hopes to receive from Tokyo during the bilateral governmental talks on the normalization of relations.

Gulf-Related Loans to Turkey To Be Extended

OW0204112091 Tokyo KYODO in English 0908 GMT 2 Apr 91

[Text] Tokyo, April 2 KYODO—Japan will extend some 66.6 billion yen, or about half a billion dollars, in loans to Turkey, finalizing its pledges to that country during the Persian Gulf crisis, Foreign Ministry officials said Tuesday.

Officials said Japanese and Turkish representatives exchanged notes on the extension of the two Official Development Assistance (ODA) loans earlier in the day in Ankara.

The first loan of 13.76 million yen, or some 100 million dollars, will help finance the repair and expansion of Istanbul's deteriorating and congested Golden Horn Bridge, which was built in 1974 partly with Japanese funds.

The loan will carry a 2.9 percent interest rate per annum and will be repayable over 25 years, including a seven-year grace period.

The second loan, an emergency commodity loan of up to 54.9 million yen, or the equivalent of 400 million dollars, will represent the Turkish share of emergency commodity loans Japan pledged to Gulf war frontline states Turkey, Egypt, and Jordan on February 5 worth 1.03 billion dollars.

The loan will carry an interest rate of 1 percent per annum and is to be repaid over a period of 30 years, including a 10-year grace period.

Officials said the extension of the two loans will finalize Japan's obligations to Turkey from its 2 billion dollar pledge last October in economic assistance to Turkey, Egypt, and Jordan.

Some 700 million dollars of that amount was later allocated for Turkey.

Last November, the two countries exchanged notes relating to an emergency commodity loan of 200 million dollars.

Nuclear Power Plant Automatically Stops Operation

OW0404120491 Tokyo NHK General Television Network in Japanese 1000 GMT 4 Apr 91

[Text] The third reactor of the Hamaoka Nuclear Power Plant, which is run by Chubu Electric Power Company in Hamaoka Town of Shizuoka Prefecture, automatically stopped operating at 1255 (0355 GMT) today after receiving a signal that the water level within the reactor went below the normal level. The power company suspects that the water level guage within the reactor mistakenly sent out the signal to lower the water level, resulting in the reduction of water in the water supply pump. The company is investigating and says that there has been no radioactive leakage.

10 Billion Yen Credit Offered to IDB

OW0404074291 Tokyo KYODO in English 0724 GMT 4 Apr 91

[Text] Nagoya, April 4 KYODO— Tokai Bank Ltd. and 20 other financial institutions in central Japan on Thursday concluded an agreement with the Inter-American Development Bank (IDB) to jointly extend a total of 10 billion yen in loans to the IDB.

The financial group comprises 13 banks, two credit associations, and six life insurance companies in Aichi, Gifu, Mie, and Shizuoka Prefectures.

The move came prior to the holding of the IDB annual conference in Nagoya from Sunday to Tuesday, the first meeting in Asia of the bank that finances projects in Latin America.

The yen-denominated loan, with a seven-year maturity, will carry the same interest rate as the long-term prime lending rate, charged to the most creditworthy customers.

The latest lending brings to 55 billion yen the total of yen- denominated loans to the IDB this year. Two other yen loans were made to the IDB earlier in the year.

On signing the pact, Enrique Iglesias, president of the Washington-based regional bank, said Japan is now a significant market for the bank's fund-raising activities, with one-third of the funds this year expected to be raised in Japan.

Stressing the marked improvement in debt repayment by Latin American nations, Iglesias expressed hope that the IDB can gain more favorable terms for yen loans.

Bank of Japan Governor on Monetary Policy

OW0404071791 Tokyo KYODO in English 0704 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Bank of Japan Governor Yasushi Mieno said Thursday that the central bank will not change its monetary policy and will continue to watch the effects of past official discount rate hikes.

Referring to the meeting of senior officials of the central bank held from early this week, Mieno said, "their reports endorsed my view that the economy remains basically strong, although the pace of growth is slowing down."

He also told a press conference after the end of the branch managers' meeting that it is necessary to keep a careful watch on price movements in connection with the rise in labor costs and the yen's fall against the dollar.

"There is a move among corporations to raise prices (of goods and services) to offset the rise in labor costs," he said.

Touching on land prices, Mieno said the rise of land prices is being checked by the central bank's tight money policy to date, but the full effect of the policy is yet to be felt.

Remarks on Discount Rate

OW0404090691 Tokyo KYODO in English 0854 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno on Thursday dampened persistent expectations of an imminent cut in the official discount rate by reiterating that the central bank will not ease its tight grip on monetary policy.

Speaking at a regular press conference, Mieno said he confirmed the soundness of the nation's economy at a quarterly meeting of the BOJ's branch managers, held this week.

"I concluded from the branch managers' reports that the current state of the economy appears still strong,"he said, although the pace of growth is slowing down.

Reflecting signs of economic slowdown in several recent key economic indxes, there has been persistent speculation that the central bank will cut its official discount rate by half a percentage point from the current 6.0 percent per annum.

Asked whether Japan can maintain its domestic demand-led economic growth and keep contributing to the world economy with the slower pace of economic growth, Mieno said he is not worried.

"The principle for Japan is to maintain economic growth without inflation," the central bank chief said, adding he considers the bank policy so far has been correct.

Referring to his concern over inflation, Mieno said the yen's value against the U.S. dollar in the foreign exchange market is still low. He said he will keep a close watch on the exchange rate as too sharp a fall of the yen could produce bad effects on domestic prices and trigger inflation.

The yen kept dropping against the dollar after the Persian Gulf war ended, falling to the 140 yen level and a six-month low at the end of March. It traded at the mid-137 yen level in Tokyo Friday.

On the domestic price trend, the central bank governor said he thinks upward pressure on domestic prices still persists.

Branch managers at their quarterly meeting reported that the tight labor situation is still the biggest problem, and this, combined with high distribution costs and the yen's fall in its exchange value, is putting upward pressure on domestic prices, Mieno said.

Touching on land prices, Mieno said the rise in land prices is being checked by the central bank's tight money plicy, but the full effect of the policy is not felt yet.

Earlier in the day, Mieno met with leaders from the Federation of Economic Organizations (Keidanren) to talk about monetary policy, including the possibility of a cut in the key lending rate.

Mieno reportedly told Keidanren leaders that he would like to continue carefully monitoring how past credit policies effected [as received] the economy.

He told them that neither corporate capital investment nor consumer spending has declined substantially despite the economic slowdown since last fall.

Kenji Kawakatsu, a Keidanren vice chairman and also chairman of Sanwa Bank, said after the meeting with Mieno that he had the impression the central bank would continue to observe economic development for a while, before cutting the key rate.

Official Dismisses Change in Monetary Policy

OW2703094991 Tokyo KYODO in English 0928 GMT 27 Mar 91

[Text] Tokyo, March 27 KYODO—A high-ranking Finance Ministry official Wednesday dismissed the possibility of an immediate change in the current tight monetary policy despite a growing call from business and political circles for an early cut in the nation's official discount rate.

"I acknowledge that there is a call from parts of the business community for a rate reduction, but it's not common nor so serious," said the official, who asked not to be named.

The official, while acknowledging that the pace of economic growth is slowing due to the tight credit policy, cited price movements at the retail level and spring wage negotiations, or "shunto," in April as factors which must be watched to guard against inflation.

"It's right that the economy is slowing, but I'm worried about consumer prices, and shunto is around the corner," he said.

Shunto is the annual spring wage negotiations between management and labor unions nationwide.

Retail Traders Press for Interest Rate Cut

OW0404043191 Tokyo KYODO in English 0415 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Japan's retail industry leaders on Thursday pressed for an early cut in interest rates, which they say are increasingly squeezing their business.

"The present high interest rates are hindering our efforts for sound corporate management. We ask the Government to be more flexible in its economic policy," Sueaki Takaoka, chairman of the Japan Chain Stores Association, said at a meeting of retail industry executives with Minister of International Trade and Industry Eiichi Nakao.

Japan's official discount rate now stands at 6 percent per annum, following five rounds of hikes by the Bank of Japan (BOJ) since May 1989.

Takaoka, also chairman of Seiyu Ltd., a major supermarket operator, was also critical of the planned increased taxation on landholdings.

"The Landholding Tax will add to burden for a city-oriented industry like ours," he said.

Nakao promised the retailers the ministry would do what it could to ensure that the current economic boom led by domestic demand was not inhibited. But on the question of the Landholding Tax, he asked the industry to absorb its impact through further rationalization.

Fuji Bank Takes Lead in New Prime Rate Formula

OW0404142491 Tokyo KYODO in English 1119 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Fuji Bank took the lead Thursday in adopting a new long-term prime rate fixing formula by announcing its decision to introduce one on April 15.

Under the formula, the long-term prime rate, charged on loans of more than one year to most creditworthy customers, will be set 0.3 to 0.5 percentage point above the short-term prime rate charged on loans of up to one year to the best customers, bank officials said.

Other major commercial banks, locally known as "city banks," and regional banks are expected to follow suit.

The new rate fixing method contrasts with the current system under which the long-term prime rate is virtually determined by the nation's three long-term credit banks.

The three banks, the Industrial Bank of Japan, Nippon Credit Bank, and the Long-Term Credit Bank of Japan, reset their cartel- like long-term prime rate each month at a level 0.9 percentage point above the coupon on their monthly debentures.

Fuji and other city banks had set their long-term prime rate at the same level as the one set by the long-term credit banks up to now.

Under the new rate fixing formula, the long-term prime rate will go up by 0.475-675 percentage point from the one set by the long- term credit banks.

26.3% Rise in Current Account Surplus Posted

OW2903090091 Tokyo KYODO in English 0722 GMT 29 Mar 91

[Text] Tokyo, March 29 KYODO—Japan posted an unadjusted current account surplus of 6,085 million dollars in February, up 26.3 percent from a year earlier, the Finance Ministry said Friday.

The nation's trade surplus for the month also increased 28.6 percent from a year earlier to 6,885 million dollars.

Exports rose 12.2 percent on the year to 24,293 million dollars, while imports increased 6.8 percent to 17,408 million dollars.

The overall balance of payments in February showed a surplus of 8,585 million dollars against 5,216 million dollars in the same month of last year.

Official Explains Rise

OW2903094991 Tokyo KYODO in English 0922 GMT 29 Mar 91

[Text] Tokyo, March 29 KYODO—Buoyant exports and slower overseas tourism combined to bring Japan's current-account surplus back in the black in February, and analysts said the trend will continue in the months to come.

The seasonally unadjusted surplus in the current account, the broadest gauge of a nation's trade in goods and services, rose a steady 26.3 percent from a year earlier to 6,085 million dollars in February, the Finance Ministry said Friday.

The year-on-year gain marked a quick turnaround from a 33 million dollar deficit in January, when holiday-related seasonal factors overrode exports growth.

Yukihiro Harada, general manager of the Long-Term Credit Bank of Japan, said the current-account surplus is largely a reflection of an upsurge in trade surplus.

"While strong demand for Japanese goods in Europe and Southeast Asia pushed up exports, cheaper crude oil prices put a brake on import growth, resulting in the big trade surplus," he said.

February's merchandise trade account, which measures only trade in goods, remained in the black for the fifth consecutive month, producing a 6,885 million dollar surplus, up a steep 28.6 percent from the year before.

For the ninth straight monthly advance, exports rose 12.2 percent to 24,293 million dollars, while imports picked up 6.8 percent to 17,408 million dollars for the eleventh monthly gain in a row.

Exports and imports in the current account are measured when contracts are settled and are different from the customs-clearance trade figures that are announced separately by the ministry each month.

On a customs-clearance basis, the February trade surplus climbed 2.5 percent from a year before to 5.1 billion dollars.

Harada noted that the yen's relative strength against the U.S. dollar in February boosted the value of Japan's exports in dollar terms.

The yen stood at 130.48 yen on average against the dollar in February, a sharp upswing from the 145.53 yen recorded in February last year.

But the dollar's rapid rebound amid the postwar euphoria over the past few weeks will make a temporary dent in Japan's exports, he said, referring to the phenomenon known as the so-called J-curve.

"The trade gap will be subject to the ups and downs in the yen-dollar rate," he said.

Ministry officials said Japan's shipments showed gains in automobiles, audio and visual equipment, and office automation equipment, while the country's purchases were brisk in crude oil, aircraft, and semiconductors.

Japan bought 20.4 million kiloliters of crude in February, up 7.5 percent from a year earlier. With the average price for crude oil at 24.73 dollars per barrel, these imports totaled 3.17 billion dollars, a 37.2 percent rise.

Takenori Kobayashi, an economist at the Daiwa Institute of Research, also said the effect of the diminishing deficit in the tourism account on the February current account figures cannot be ignored.

The Persian Gulf war scared some Japanese from venturing abroad in February, sending the number of overseas travelers plunging 39.4 percent from the year-earlier level to 543,000.

The fall in overseas tourism caused the deficit in Japan's so-called "invisible trade account," which encompasses tourism and other services, to fall to a deficit of 490 million dollars in February, down from a 2,802 million dollar deficit in January.

Harada of the Long-Term Credit Bank of Japan predicted Japan's current account will remain in surplus over the short to medium term, as exports are strong enough to offset the likely upsurge in the tourism account deficit following the end of the Gulf war.

	Feb. 1991	Feb. 1990
Current account	6,085	4,817
Trade	6,885	5,352
Exports	24,293	21,646
Imports	17,408	16,294
Invisible trade	- 490	- 341
Transfer payments	- 310	- 194
Long-term capital	5,962	-7,905
Basic balance	12,047	-3,088
Short-term capital	-2,785	4,846
Errors and omissions	-677	3,458
Overall balance	8,585	5,216

Wholesale Oil Prices Rise To Help Finance Aid

OW3003095391 Tokyo KYODO in English 0901 GMT 30 Mar 91

[Text] Tokyo, March 30 KYODO—Wholesale prices for gasoline will rise 1.2 yen per liter from Monday due to a tax increase to finance part of the government's additional Persian Gulf aid, Japan's oil suppliers said Saturday.

Retail prices of gasoline at gas stations will go up nationally by about 1 yen per liter from the current national average of 126 yen.

The National Federation of Petroleum Commercial Associations said it will make posters and pamphlets to promote consumers' understanding of the tax.

Meanwhile, there is a gasoline price war among service stations in the Tokyo area, according to industry sources.

Some service stations are selling gasoline for about 112 yen per liter and are unlikely to raise their prices for a while, the sources said.

Japan pledged to the U.S.-led multinational forces in January to provide 9 billion dollars (at an exchange rate of 130 yen to the dollar) as Japan's contribution to the Gulf war.

In order to partly finance the contribution, the government decided in February to raise the petroleum tax by 1.02 yen per liter, and add a 2.5 percent surcharge to corporate taxes, both for a year.

It also plans to cut 500 billion yen from the nation's expenditure, including 100 billion yen from the defense budget, and issue short-term bonds for raising immediate disbursement.

NTT Workers' Pay Raise Averts Threatened Strike

OW0404013991 Tokyo KYODO in English 0053 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Nippon Telegraph and Telephone Corp. (NTT) said Thursday it has agreed with its labor union on a 17,000 yen monthly wage hike to avert a threatened telecommunications strike.

The agreement, reached Thursday morning after all-night negotiations, marks a raise of 6.03 percent for the telephone and telegraph workers, but is 0.34 percentage point less than last year's wage hike.

During Wednesday's stormy bargaining session, the NTT labor union insisted that 17,000 yen was the least it would settle for and threatened strategic strikes to begin at 8:30 AM Thursday.

Management had wanted to hold this year's wage hike to a 6 percent ceiling with a 16,500 yen offer, but agreed shortly after 5 AM to the union's demands.

The union immediately canceled orders for the strike.

Thursday's NTT agreement, and a deal Wednesday by member unions of the Japan Council of Metal Workers Unions to accept a smaller wage hike this year than last year, is expected to influence negotiations in other industries, including the private railways.

NTT management and labor also agreed to reduce average annual working hours per employee to some 1,800 by Fiscal 1993 and cut back on overtime by 450 hours in the current fiscal year.

Negotiators further agreed to establish a weekly "no overtime day."

Imported Car Sales Figures Continue To Drop

OW0404105391 Tokyo KYODO in English 0821 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Imported car sales suffered a year-on-year fall for the third consecutive month in March, indicating their rapid growth over the past four years may have stalled, the Japan Automobile Importers' Association reported Thursday.

Despite this there were record sales of imported cars in fiscal 1990 ending March 31, mainly through brisk sales in the first half of the year, the association said.

It said sales for the year grew 6.8 percent above fiscal 1989's total to a record 216,774 cars, but the yearly growth rate was far below 30-40 percent recorded during each of the past four years.

Association officials said sales of imported cars have declined since late last year, due largely to rising prices and interest rates, coupled with strong demand for large-sized domestically produced models.

Moves to tighten controls on parking also worked against imported car sales, the officials said.

In March, sales fell 14.4 percent from a year ago to 22,197 cars, following year-on-year drops in January and February, they said.

Sales of passenger cars, which account for the bulk of the total, grew 6.6 percent to 214,135 in number in fiscal 1990, although they plummeted 14.9 percent in March to 21,892.

Figures for the January to March period were down 13.4 percent at 47,169 cars, underscoring the declining demand for imported cars, the association said.

German automakers dominated the imported car market in fiscal 1990, with Mercedes-Benz topping the list with 37,149 cars sold, up 2.5 percent from 1989.

Volkswagen ranked second with 35,765 units, and BMW third with 34,080 units.

A brisk demand for Japanese cars built in the United States saw sales of U.S. imports soar 49.4 percent to 29,807 units, the association said.

Insurance Council Unveils Reform Plan

OW0404090391 Tokyo KYODO in English 0813 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—The government-appointed Insurance Council unveiled Thursday a reform plan for the insurance business as part of restructuring Japan's financial system.

The council, an advisory panel to the finance minister, said the plan, prepared by a subcommittee, calls for insurance companies to meet regulations on their own capital to total assets imposed by the Basel-based Bank for International Settlements (BIS).

The BIS standard, which is to be applied to commercial banks, calls for the capital-to-asset ratio of at least 8 percent until 1993.

The move is aimed at establishing the principle of responsibility to be born by insurance companies to help promote sound growth of the insurance business in Japan, council officials said.

The plan, to be submitted to the council's plenary meeting set for Tuesday, will be incorporated in a comprehensive reform program to be presented to the finance minister by the end of June, the officials said.

The reform program, if endorsed by the government, will allow insurance companies to engage in financing operations through their subsidiaries, they said.

In a related development, the council's foreign affairs subcommittee has approved a report calling for abolition of regulations governing foreign insurance companies doing business in Japan, eliminating barriers against them.

Japan's insurance business has so far been placed under heavy protection by the government. The proposed reforms are intended to accelerate liberalization and internationalization of the insurance market.

Nissan To Halt Use of CFC's by End of 1994

OW0404122391 Tokyo KYODO in English 1112 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Nissan Motor Co. said Thursday it will replace harmful chlorofluorocarbons [CFC's] used in its cars with pollution-free agents by the end of 1994, a year earlier than originally scheduled.

The major Japanese automaker said the company will be able to complete an in-house system for stable supply of harmless agents within 1994.

The company said it will market cars with air conditioners using pollution-free agents by the middle of this year, and that all cars to be sold at home and abroad will be equipped with pollution-free air conditioners by the end of 1994.

Last year, Nissan announced plans to phase out the harmful agents by the end of 1995.

Hoya Starts Glass Magnetic Memory Disk Production

OW0404142191 Tokyo KYODO in English 1356 GMT 4 Apr 91

[Text] Tokyo, April 4 KYODO—Hoya Corp. on Thursday announced it has started the commercial production of glass magnetic memory disks.

It is the first enterprise in the world to begin production of the disks, which have a memory capacity three to four times that of conventional aluminum magnetic disks, Hoya officials said.

Hoya is using reinforced glass which is about 10 times as strong as the glass used so far as a chip base, they said.

The new product will find applications in notebook-type personal computers, Hoya officials said.

The company plans to produce 100,000 such disks a month in the initial year. The glass disks will be priced somewhat higher than aluminum disks, the officials said.

North Korea

U.S. Defense Secretary Cheney's Speech Viewed

SK0404055291 Pyongyang KCNA in English 0453 GMT 4 Apr 91

["What Does Cheney's Speech Tell?"—KCNA headline]

[Text] Pyongyang April 4 (KCNA)—U.S. Defense Secretary Cheney, speaking in Washington recently, blared that the United States would keep flexible military power enough to counter "aggression" and "threat" and should maintain technical superiority, according to a report.

His speech vividly reveals that the U.S. imperialists intend to attain their unilateral "nuclear preponderance," "superiority of strength" through the extensive development and production of sophisticated mass destruction weapons and more insolently behave in the international arena on the strength of it.

This is borne out by his statement that it is necessary to convince other countries that the United States is ready to protect its own interests and counter threats from anywhere.

Crying for pulling down "the last breakwater of socialism," the U.S. imperialists are directing the sharp edge of their aggression against Korea.

Cheney's announcement that the United States would keep naval forces strong together with the allied forces and continue with the forward deployment of military forces in the Pacific Region clearly suggests that they will further increase the danger of war on the Korean peninsula in the future.

U.S. 1 Apr Team Spirit Air Exercises Reported

SK0304051191 Pyongyang KCNA in English 0440 GMT 3 Apr

[Text] Pyongyang April 3 (KCNA)—The U.S. Pacific Airforce Command staged war exercises on April 1 in the skies above Wonju, Yoju, Sangdong and Kunni of South Korea, according to military sources.

Mobilized in the maneuvers were formations of Pacific-based F-16 and F-4 fighter-bombers and more than 260 fighter-bombers, assault planes and observation planes of the U.S. Airforce present in South Korea and the puppet airforce such as F-4, F-16, A-37 and OA-10.

On the same day, the U.S. Pacific Naval Command sent formations of A-6 assault planes based in Iwakuni, Japan, to the sky above Asan Bay to stage a war exercise for a surprise attack on ground targets.

That day, the U.S. imperialists moved formations of C-130 and C-141 transport planes loaded with special war materiel from the U.S. mainland and Pacific bases to the Osan and Kunsan airfields.

They also let U-2, RC-12 and RV-1 high-altitude strategical and tactical reconnaissance planes make repeated flights from east to west for many hours above the areas along the Military Demarcation Line, committing an aerial espionage on areas of our side.

On the same day, the South Korean puppets sent infantry and mechanized units to Uijongbu and Pochon to stage a ground attack exercise with the support of F-4, F-5 and A-37 planes, and held a naval landing exercise in the waters east of Uljin with the mobilisation of combatant ships including landing craft.

That day, the puppets let formations of C-123 transport planes carrying "commandoes" fly above Yoju in a parachuting exercise aimed at infiltrating into the in-depth areas of our side.

More than 610 warplanes flew in the sky above South Korea that day for the "Team Spirit-91" war exercises.

U.S. 2 Apr 'Large-Scale' Exercises Reported

SK0404055491 Pyongyang KCNA in English 0447 GMT 4 Apr 91

[Text] Pyongyang April 4 (KCNA)—The U.S. Pacific Airforce Command staged large-scale joint air strike exercises against the northern half of Korea in the skies above Wonju, Kongju, Anmyondo, Oeyondo, Samchok, Sangdong, Yoju and Kunni on April 2 as part of the adventurous "Team Spirit-91" joint manoeuvres, according to military sources.

Mobilised in the provocative aerial war games held twice were F-16, F-15 and F-4 fighter-bombers based in the Pacific and F-16, F-15, F-4, F-5 and OA-10 fighter-bombers and observation planes of the U.S. Airforce present in South Korea and the puppet airforce, more than 240 in all.

In another development, the South Korean rulers sent formations of C-123 transport planes loaded with "commandoes" to the sky above Songnam that day to stage a parachuting exercise aimed at infiltrating into the depths of the northern half of Korea.

More than 680 warplanes participated in the war games that day.

'Meetings for Denouncing' Team Spirit Held

SK0404153791 Pyongyang KCNA in English 1502 GMT 4 Apr 91

[Text] Pyongyang April 4 (KCNA)—Meetings for denouncing the "Team Spirit 91" joint military maneuvers of the U.S. imperialists and the South Korean authorities were held at factories, enterprises and cooperative farms in the northern half of Korea.

Employees' meetings were held some time ago at the Sunchon vinalon complex, the Sinuiju footwear factory, the June 4 general rolling stock works and the Nihyon cooperative farm in Sadong District, Pyongyang.

Speakers at the meetings resolved to smash the enemy's new war provocation moves and accomplish the historical cause of national reunification without fail, stressing that warlikers will only meet their death.

The "Team Spirit" joint military exercises in which armed forces enough to carry out a whole war are mobilized fully reveal the invariable arrogant and heinous nature of the U.S. iperialists who resort to strength to realise their ambition for world supremacy by igniting wars of aggression on the Korean peninsula and in their regions, they said.

The U.S. imperialists and the No Tae-u ruling quarters are grossly mistaken if they think they can frighten our people with reckless provocations, they said, and warned the enemy not to run riot, looking straight at the invincible might of the Korean people united with one mind.

U.S. 'Anti-Socialist Economic Strategy' Viewed

SK0404104991 Pyongyang KCNA in English 1008 GMT 4 Apr 91

[Text] Pyongyang April 4 (KCNA)—Although the U.S. imperialists are desperately working to stifle the socialist countries economically and destroy the socialist system, they can never block the road of mankind toward socialism, declares NODONG SINMUN in a signed article today.

The article says:

The U.S.-led imperialists scheme to impede the economic development of socialist countries according to their "peaceful transition" strategy.

While harping on the end of the cold war, the U.S. imperialists resort to the anti-socialist economic blockade under the pretext of Cocom [Coordinating Committee for Multilateral Export Controls] regulations and "sanctions" in trade with socialist countries.

Their anti-socialist economic strategy is aimed, first of all, at controlling the transfer of Western technology and strategic materials to socialist countries and putting a brake on trade with socialist countries under various pretexts. It is also motivated by their sinister intention to bring the economy of these countries to bankruptcy and destroy the socialist system by blocking the international economic organizations controlled by them from offering funds and facilities.

The Cocom is a tool of executing the U.S. imperialists' anti-communist, anti-socialist economic strategy.

It has put more than 400 items on the embargo list against the socialist countries and controlled and watched the implementation of this regulation.

The Cocom has been managed and operated in compliance with the demands and interests of the U.S. imperialists. While exporting their own goods without any restriction, the U.S. imperialists have banned or restricted the export of goods made by other Western countries under the pretext of Cocom regulations and unhesitatingly made reprisals on the countries and companies which violated the regulations.

On the absurd charges of "human rights violation" and "assistance to terrorism," they put political and diplomatic pressure on the socialist countries on the one hand and, on the other, shamelessly resort to economic sanctions against these countries.

South's Separate UN Entry Plan Said 'Crafty'

SK0404054891 Pyongyang KCNA in English 0459 GMT 4 Apr 91

["Crafty Version of Separatist Line of Confrontation"—KCNA headline]

[Text] Pyongyang April 4 (KCNA)—NODONG SINMUN today brands the South Korean authorities' "U.N. membership" campaign backed by U.S. imperialism as a crafty version of the separatist line of confrontation.

The news analyst says:

U.S. imperialism is the architect of the divisive line in Korea.

The proposal for "simultaneous entry of the North and the South into the U.N." and plan of "unilateral entry of South Korea into the U.N." are divisive cards conceived by the United States in the 1970s to make the South Korean rulers race faster along the separatist line.

The U.S. imperialists are now manipulating the South Korean authorities to hastily promote "entry into the United Nations."

They encourage the South Korean authorities' separatist moves by persistently opposing the withdrawal of their troops and nuclear weapons from South Korea.

Their permanent occupation of South Korea means a permanent division of Korea.

It is for the purpose of a permanent division of Korea that the U.S. opposes the replacement of the Korean Armistice Agreement by a peace agreement and the adoption of a nonaggression declaration between the North and the South. This also means instigating the South Korean authorities to seek "U.N. membership".

The U.S. imperialists are laying hurdles in the way of peace and reunification of Korea and fanning the separatist moves of the South Korean authorities by putting a brake on the inter-Korean dialogue and staging provocative war games including the "Team Spirit", a test nuclear war against the North.

Their encouragement to the South Korean authorities' "U.N. membership" campaign is motivated by their wild ambition for aggression on Korea and Asia.

They regard South Korea as an essential point in the execution of their aggressive global strategy.

They plan to keep South Korea of strategic importance under their control and, to this end, continue their military occupation of South Korea and ensure the dominating position of the United States in South Korea for a long time through the creation of "two Koreas."

The South Korean authorities are hastening the creation of "two Koreas", claiming "U.N. membership." This is aimed at perpetuating the division of the country, indifferent to the destiny of the nation, remaining long in power under the military patronage of the U.S. imperialists, intensifying the anti-DPRK confrontation racket in the international arena and realising the ambition of "unification by prevailing over communism."

The South Korean ruling group's unilateral entry into the United Nations would result in legitimating "two Koreas," internationalizing the issue of Korea's reunification and opening wider the door for outside interference in the internal affairs of Korea.

Trial of Student Leader in South Denounced

SK0304052291 Pyongyang KCNA in English 0450 GMT 3 Apr 91

[Text] Pyongyang April 3 (KCNA)—The South Korean authorities on April 1 demanded prison terms up to ten years for Song Kap-sok, former chairman of the "National Council of Student Representatives" of South Korea (Chondaehyop), and his bodyguard. Commenting on this, NODONG SINMUN and MINJU CHOSON today stress that with no armed repression can they break the patriotic students' will for independence, democracy and reunification.

The news analyst of NODONG SINMUN says:

As for the activities of the patriotic students incriminated by the South Korean authorities, they fought for independence, democracy and reunification which are called for by the one million students and other people of South Korea. Nevertheless, the South Korean authorities demanded heavy penalties for them. This shows how desperately they are working to stifle the patriotic forces in South Korea.

Those deserving punishment in South Korea are not patriotic students but the No Tae-u ruling group which viciously challenges the people's desire for independence, democracy and reunification.

South Korean society is a society of injustice where this group criminalizes patriotism and brandishes the bayonet at it.

Although the South Korean authorities try to get something by intensifying fascist crackdown on the students and people, it is a foolish attempt.

The MINJU CHOSON analyst demands that the No Tae-u group discontinue the reckless repression and immediately release all the illegally arrested students including Song Kap-sok and other people.

Japan-Korea Association Holds Meeting in Tokyo

SK0304153991 Pyongyang KCNA in English 1520 GMT 3 Apr 91

[Text] Tokyo April 1 (KNS-KCNA)—A general meeting of the Japan-Korea Cultural Interchange Association held here on March 28 adopted its action program for cultural exchange between Japan and the DPRK such as the promotion of invitation of art troupes of the DPRK and regularization of the exchange of artistes between the two countries.

The meeting adopted a letter to the Korean people and a resolution addressed to the Japanese Government.

The resolution demands the Japanese Government respect the spirit of the joint declaration of the Workers' Party of Korea, the Liberal Democratic Party and the Social-Democratic Party of Japan and strive for an early normalisation of diplomatic relations between Japan and the DPRK.

Japan Lifts Travel Restrictions To Improve Ties

SK0404044991 Pyongyang KCNA in English 0432 GMT 4 Apr 91

[Text] Pyongyang April 4 (KCNA)—Japan lifted restrictions on the travel of Japanese to the Democratic People's Republic of Korea as from April 1, according to a report.

The Foreign Ministry of Japan announced that it removed the restrictions as part of the moves for improving Japan-DPRK relations.

Kim Il-song Receives New Nicaraguan Envoy

SK0304112191 Pyongyang KCNA in English 1019 GMT 3 Apr 91

[Text] Pyongyang April 3 (KCNA)—The great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea, today was presented with credentials by Ivan Ariel Mejia Solis, new ambassador extraordinary and plenipotentiary of the Republic of Nicaragua to our country.

Present at the presentation ceremony were Vice-Premier and Foreign Minister Kim Yong-nam and an official of the Nicaraguan Embassy here.

President Kim Il-song had a conversation with the ambassador after receivivg his credentials.

Foreign Minister Meets With Nigerian Ambassador

SK0404051291 Pyongyang KCNA in English 0452 GMT 4 Apr 91

[Text] Pyongyang April 4 (KCNA)—Kim Yong-nam, vice-premier and minister of foreign affairs, Wednesday met and conversed with the outgoing Nigerian Ambassador Salau Adeku Lawal.

Yi Chong-ok Commemorates Kim Il-song Guidance

SK0404105991 Pyongyang KCNA in English 1022 GMT 4 Apr 91

[Text] Pyongyang April 4 (KCNA)—30 years have elapsed since the great leader President Kim Il-song gave on-the-spot guidance to the Yongyang mine. He called at the mine, a leading magnesite clinker producer of the country, on April 5, 1961, and indicated the orientation and ways for the mine and showed deep loving care for the miners which would be conveyed down through generations.

The dear leader Comrade Kim Chong-il visited Yongyang and, saying ours is a society for the working class, he bestowed love and trust upon the miners and led them to effect a new turn in mineral production.

A meeting was held on the spot Wednesday to mark the 30th anniversary of President Kim Il-song's on-the-spot guidance to the Yongyang mine.

A congratulatory message sent by the Central Committee of the Workers' Party of Korea to the workers, technicians and office employees of the Yongyang mine and Three-Revolution team members dispatched to it was read out by Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice-president, at the meeting.

The message highly estimates the proud labor feats the party members and other working people of the Yongyang mine have performed with intense loyalty to the party and the leader in building up the mine as a magnesite producer of a world's level and increasing the production of minerals.

Komdok Mining Complex Increases Production

SK0404153291 Pyongyang KCNA in English 1506 GMT 4 Apr 91

[Text] Pyongyang April 4 (KCNA)—The Komdok mining complex has sharply increased the production of lead and zinc. The workers there keep production on a high level, having overfulfilled the first quarterly assignments of this year's plan which is nearly 40 percent above the peak year.

The complex which holds a big share in the production of nonferrous metal ores in Korea has lifted the ore excavation capacity 20.4 times, the conveyance capacity 26.4 times and ore dressing capacity 24.7 times in the past 30 years.

The complex now excavates in two days what was excavated in one whole year before liberation.

The material and technical equipment of the complex has improved remarkably.

Ores are excavated by equipment of latest types such as the hydraulic cutting frame and self-propelled electric-hydraulic loader.

Economic Units Top First Quarterly Targets

SK0304044591 Pyongyang KCNA in English 0401 GMT 3 Apr 91

[Text] Pyongyang April 2 (KCNA)—Korean national economic units topped the first quarterly targets set far higher than the same period last year.

The Komdok mining complex March 30 carried out at 100.3 percent its assignment for March set 10 percent higher than February in terms of lead and zinc content, hitting the first quarterly goal of the year set nearly 40 percent higher than that of the peak year.

In this period, scores of units of the complex fulfilled their first half year assignments.

The Yongsong general machine bureau went beyond its quarterly plan on March 31, supplying in time ten odd main units of equipment including a 160,000 cubic metre air exhauster, a 50,000 cubic metre air blower and a 40,000 cubic metre compressor and many machines.

The general bureau of sea transport carried out its quarterly target of freight transport at 106.4 percent on March 20.

The Yongyang mine, the Mandok mine and many other units of the national economy surpassed their first quarterly targets by a wide margin.

Pyongyang Textile Combine Profiled

SK0304152991 Pyongyang KCNA in English 1516 GMT 3 Apr 91

[Text] Pyongyang April 3 (KCNA)—The Pyongyang textile combine holds an important share in the nation's textile production.

The combine which is situated on the eastern bank of the river Taedong is the first textile mill to be built after the liberation of the country in 1945.

The great leader President Kim Il-song has given on-the-spot guidance 48 times in 40 odd years since he himself designated the site of the combine in October 1948 and indicated the direction and way for the combine.

Commissioned in April 1950, the combine was levelled with the ground in bombings by the U.S. imperialists during the Korean war (June 1950-July 1953).

It was rehabilitated and reconstructed in the fifth month of the ceasefire and started production.

Afterward, capacity expansion projects were carried out several times and new production processes built.

The textile production capacity of the combine is 20 times that in 1954 and the number of spindles 18 times.

The combine has spinning, weaving, dyeing, chemical fibre and silk textile shops and two branch mills with up-to-date equipment.

The combine produces a thousand and several hundred kinds of textiles including suit materials and shirt cloth and silk.

A project for installing 100,000 more spindles is under way at the combine.

Pukchong County's Fruit Production Praised

SK0104151991 Pyongyang KCNA in English 1502 GMT 1 Apr 91

[Text] Pyongyang April 1 (KCNA)—Pukchong County, South Hamgyong Province, on the east coast of Korea, is a well known fruit producer. There a broad way of the development of pomiculture of the nation was indicated.

Held at this place 30 years ago was an enlarged meeting of the Presidium of the Central Committee of the Workers' Party of Korea which was of great importance in the development of the nation's fruit-farming.

At the meeting, the great leader President Kim Il-song advanced the task of turning all hills into orchards, following the example of Pukchong, and creating 300,000 hectares of orchards.

Earlier, in March 1957, he visited Pukchong County, taught ways of creating orchards and growing fruits such as building of terraces for fruit growing on hills, shaping of trees and manuring and created a model fruit hill in this area.

After the enlarged meeting, all hills in the county were turned into orchards to cover 2,300 hectares or nearly five times the pre-liberation area.

The county has become a model nationwide in the cultivation of the fruit trees, too.

The county has introduced advanced cultivating methods such as shaping of Pukchong-style trees, pruning and mechanization and generalized the achievements all over the country.

It has picked abundant fruits every year; for instance, five more tons of apples and six more tons of pears from each hectare last year than the previous year.

It has a well-appointed fruit processing centre which produces in large quantities canned and bottled fruits, jelly, dried apple and other delicious and nutritious processed fruits.

The looks of the county have changed beyond recognition. Multi-storeyed modern houses, public buildings, tens of local-industry factories, educational, cultural and health institutions and service facilities have cropped up in the county seat which was a small village before the liberation.

Thus, Pukchong County has turned into an earthly paradise where life is in full bloom, covered with flowers of fruit trees in spring and with ripe fruits in autumn.

KCNA Review of 4 Apr Pyongyang Press

SK0404051691 Pyongyang KCNA in English 0435 GMT 4 Apr 91

[Press review]

[Text] Pyongyang April 4 (KCNA)—Papers here today report that the great leader President Kim Il-song received credentials from the newly-appointed Nicaraguan ambassador to Korea.

Printed in dailies is a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President Abdou Diouf of the Republic of Senegal, on the occasion of the 31st anniversary of the independence of Senegal.

MINJU CHOSON carries an article entitled "respected Comrade Kim Il-song is the great leader who is developing and completing socialism of our style under the banner of the chuche idea".

Under the fixed title "Immortal Story Conveyed by Mangyongdae" NODONG SINMUN carries the first installment of the rare stories and episodes associated with Mangyongdae where President Kim Il-song was born and cultivated his grand aspirations of the revolution in his childhood.

Conveyed in the paper are words of South Korean people highly praising the dear leader Comrade Kim Chong-il and world public voices on his work "On the Chuche Idea".

MINJU CHOSON editorially calls on all industrial establishments to produce mass consumption goods through a massive campaign.

Working people of different fields of the national economy including coal and power industries are greeting the auspicious April holiday with proud results in production, says the press.

Appearing in NODONG SINMUN are accounts of meetings of the young activists of the Munpyong and the Tanchon smelteries held to call on members of the League of Socialist Working Youth and young people to play the role of vanguards and shock-brigades in keeping production of nonferrous metals on a high level.

Chi Yong-chun, who was a staffer of the Mudung hotspring tourist hotel in Kwangju, South Korea, before coming over to the northern half of Korea, was interviewed by home and foreign reporters in Pyongyang, says the press.

NODONG SINMUN introduces newly-released Korean documentary film "Young Vanguards of Kumgol" introducing young people of the Komdok mining complex in working new miracles and feats in lead and zinc production.

The daily reports that a meeting commemorating the 31st anniversary of the independence of Senegal was held in Pyongyang and the France-Korea friendship association issued its bulletin.

More than 10,000 students in Seoul held a meeting on the occasion of the 43rd anniversary of the April 3 people's resistance of Cheju Island against the May 10 separate elections manipulated by the U.S. imperialists, according to the press.

Conveyed in NODONG SINMUN are world public voices denouncing the South Korean authorities' suppression of patriotic and democratic forces. It is reported in the daily that meetings were held at industrial establishments and cooperative farms in different places of the northern half of Korea, solidarity letters came to public organizations of our country from their counterparts in different countries denouncing the "Team Spirit 91" joint military exercises and the U.S. imperialists and the South Korean puppets continue staging ground, aerial and naval attack exercises against the North.

The paper in a commentary captioned "Crafty Version of Splittist Line of Confrontation" denounces the U.S. imperialist criminal act in encouraging the South Korean authorities' drive for U.N. membership. Nepalese newspapers published articles condemning the South Korean authorities' campaign for "separate entry into the United Nations", the paper says.

A MINJU CHOSON article declares that the mastermind of the Suso scandal is No Tae-u.

It is reported in the press that Japan lifted restrictions on the travel of Japanese to the DPRK.

The press observes the 31st anniversary of the independence of Senegal.

Dailies inform the readers that PRENSA LATINA News Agency reported the preparations for the fourth congress of the Cuban Communist Party.

The Soviet foreign minister visited China and Iran celebrated the 12th anniversary of the founding of the Republic, according to the press.

NODONG SINMUN reports that the Soviet paper PRAVDA denounced the outrageous anti-communist, anti-Leninist racket in the Soviet Union.

"U.S. Moves for Anti-Socialist Economic Blockade" is the title of a NODONG SINMUN article.

South Korea

Bessmertnykh: DPRK 'Must Accept' Inspection

SK0404030091 Seoul HANGUK ILBO in Korean 4 Apr 91 p 2

[Report by correspondent Mun Chang-chae from Tokyo]

[Text] On 3 April TOKYO SHIMBUN reported that Soviet Foreign Minister Bessmertnykh said North Korea must accept nuclear inspection by the International Atomic Energy Agency (IAEA).

TOKYO SHIMBUN reported that in an exclusive interview with Shimura, Japanese ambassador to the Soviet Union, he revealed, "During talks with Minister Nakayama on 30 March, Bessmertnykh said that it is a just duty for North Korea to accept nuclear inspection."

Comment 'First Official Remark'

SK0404081491 Seoul CHOSON ILBO in Korean 4 Apr 91 p 2

[Report by correspondent Kang Chon-sok from Tokyo]

[Text] It was learned that Soviet Foreign Minister Bessmertnykh said: "The inspection of nuclear facilities in North Korea is just. It is not right for North Korea to relate this issue with a separate and unrelated issue."

This kind of remark by Soviet Foreign Minister Bessmertnykh is noteworthy due to the fact that this is a first official remark from the Soviet Union opposing North Korea's proposal that, as a condition for accepting nuclear inspection, inspection of U.S. nuclear arms in the ROK must also be carried out simultaneously.

Gorbachev 'Unlikely' To Visit Seoul Soon

SK0404053691 Seoul YONHAP in English 0517 GMT 4 Apr 91

[Text] Seoul, April 4 (YONHAP)—Soviet President Mikhail Gorbachev is unlikely to visit Seoul in the first half of the year because of the situation in the Soviet Union, Deputy Foreign Minister Igor Rogachev said Thursday.

Rogachev, who arrived Wednesday for the 47th General Session of the U.N. Economic and Social Commission for Asia and the Pacific [ESCAP], was meeting with Vice Foreign Minister Yu Chong-ha to discuss pending issues, including the downing by a Soviet fighter of Korean Air

Lines [KAL] Flight 007 in 1983, follow-up steps for Korean-Soviet economic cooperation and Gorbachev's state visit.

The Soviet Government would continue to try to find evidence related to the downing but had so far not discovered anything that threw light on what had happened despite continued efforts by the Defense Ministry, Rogachev told Yu.

"We will positively consider demands by the bereaved families of the victims to hold the 9th memorial ceremony off Sakhalin in September," he said. "I will make active efforts for the bereaved families to visit Sakhalin."

Yu told Rogachev the government's position was that the KAL incident should not be a stumbling-block to improving relations between the two countries, but he repeatedly called for Moscow to tell Seoul the truth about the incident at the earliest date, as promised in a policy consultative meeting in January.

Rogachev was scheduled to meet with Foreign Minister Yi Sang-ok in the afternoon.

Yi Sang-ok Meets Rogachev, Discusses UN Entry

SK0404121691 Seoul Domestic Service in Korean 1000 GMT 4 Apr 91

[Text] In a meeting this afternoon with Foreign Minister Yi Sang-ok, Soviet Deputy Foreign Minister Igor Rogachev, who is attending the 47th General Session of the UN Economic and Social Commission for Asia and the Pacific [ESCAP], said that resolving the issue of UN membership for North and South Korea through discussion between the two sides is the most desirable way, but the Soviet Government thinks that all nations eligible for UN membership should participate in the United Nations in accordance with its universal principles. Thus, he revealed the Soviet position of not opposing the ROK's separate entry into the United Nations.

Deputy Foreign Minister Rogachev also said that he will permit the holding of a memorial ceremony at sea, where the Korean Air Lines [KAL] flight was downed, in September, which is being promoted by the bereaved families of the victims.

During today's talks, Foreign Minister Yi Sang-ok said that to smoothly resolve the issue of UN membership, we will continue dialogue with North Korea but we cannot endlessly leave this issue to the North Korean side. He asked for active Soviet support for the ROK's entry this year.

Deputy Foreign Minister Rogachev explained the results of the visit of Soviet Foreign Minister Bessmertnykh to Japan and China. To this, Foreign Minister Yi Sang-ok said that he hopes that diplomatic discussions between the ROK and the Soviet Union will be maintained in the future, too.

At the talks between the ROK and Soviet deputy foreign ministers, Vice Foreign Minister Yu Chong-ha pointed out that the testimony of the Soviet pilot carried by IZVESTIYA is considerably different from the official announcement made public by the Soviet Government at the time of incident. Yu Chong-ha asked the Soviet side to promptly make public the truth of the incident of the downing of the KAL flight and to hand over the relevant materials that we requested.

Concerning the issue of President Gorbachev's visit to the ROK, Rogachev said that his visit to the ROK at the time of his visit to Japan this month would be very difficult due to the domestic situation in the Soviet Union.

Rogachev News Conference on UN, KAL Issues

SK0404131691 Seoul YONHAP in English 1249 GMT 4 Apr 91

[Text] Seoul, April 4 (OANA-YONHAP)—The Soviet Union urges South-North Korean dialogue on U.N. membership to the last possible minute, and Seoul's bid to enter alone this year will likely create a "very complicated situation," said Soviet Deputy Foreign Minister Igor Rogachev Thursday.

Rogachev also repeated the promise to turn over any new findings about the 1983 downing of Korean Air [KAL] commercial jet but said it is difficult to understand why the event has recently become a big issue despite official investigation reports released at the time.

There have not yet been any new discoveries, he said, dismissing recent reports in IZVESTIA and on Japan's Asahi T.V. which contradict Moscow's initial announcement as "personal opinions of the reporters."

Rogachev, in a press conference during the Economic and Social Commission for Asia and Pacific (ESCAP) session being held here, emphasized that the shortcut to easing tension on the Korean peninsula is continuation and progress in inter-Korean dialogue.

The Korean issue was mentioned during China-Soviet foreign ministers' meeting in Beijing, as customary in any diplomatic summit between the Soviet Union and Japan, the United States and China, Rogachev said.

Moscow and Beijing concurred that resolving tension on the Korean peninsula is best solved through South-North Korean talks, he stressed.

Both Presidents No Tae-u and Kim Il-song make reasonable proposals, and it is important to treat these reasonable elements carefully and attentively, said Rogachev.

South Korea should not hastily push for U.N. membership, he warned, saying such a stance can damage Seoul-Pyongyang relations.

Both the Soviet Union and China believe negotiation channels between the two sides should be open until the last minute, and Moscow will fully support U.N. membership when a joint solution is reached, Rogachev explained.

When asked how Moscow will vote if Seoul submits U.N. membership application this year, Rogachev responded by asking if the application would be made without an agreement with North Korea.

Although the situation is hypothetical, such moves by South Korea will create "a very complicated situation," he said.

On the KAL downing, Rogachev called on South Korea to remind itself of the Moscow declaration signed by Presidents No Tae-u and Mikhail Gorbachev during No's Soviet visit last December.

Korean Air civilian jet, carrying 269 passengers and crew, was shot down by a Soviet fighter on waters off Sakhalin on its way to Seoul from New York on Sept. 1, 1983.

"It is important to remember the spirit of the declaration. The tragic accident occurred during the cold war era," he said.

An investigation report filed by a body of neutral nations said the incident was manipulated by secret organizations of a group of countries, he claimed.

There was no outcry against the report then, Rogachev said, and it is difficult to understand why there is growing reaction to the incident now.

Asked to go into details about the countries allegedly responsible for masterminding the shootdown, Rogachev simply said he does not wish to turn back to those days of the cold war.

When asked about recent press reports that the Soviet Union may sell military equipment to North Korea in consultation with the Seoul government, Rogachev stressed that any arms sale in the future must be reviewed by an international conference.

There are no new contracts for Soviet military arms supply to North Korea, the Soviet diplomat said.

The Soviet Government principally opposes presence of foreign military bases in any country, the notion of deploying nuclear arms on foreign territory, he said.

Seoul and Moscow had already agreed that the arms sales issue would not pose an impediment when the two established diplomatic ties last September, he added.

Japanese Doctors Said To Treat Kim Il-song

SK0404033291 Seoul HANGUK ILBO in Korean 4 Apr 91 p 1

[Report by correspondent Mun Chang-chae from Tokyo]

[Text] On 3 April a Japanese Government source revealed that two Japanese doctors went to Pyongyang sometime in mid-March to give medical treatment to North Korean President Kim Il-song.

This source said that a dermatologist from the Keio University Hospital and another doctor from the Tokyo University Hospital arrived in Pyongyang via Beijing on 15 March and added that their visit to North Korea is to give medical treatment to some kind of disease in his nose.

On the other hand, another source from the Tokyo diplomatic circles revealed that a medical team from the pro-North Korean residents' league in Japan (Chochongnyon) composed of medical specialists of the heart and the aged, will arrive in Pyongyang sometime from 8-11 April.

It is known that Kim Il-song who will be 79 years old on 15 April is suffering not only from a tumor behind his neck and but also from a heart disease.

Kim Il-song 'May Hand Over' Party Leadership

SK0404035591 Seoul KYONGHYANG SINMUN in Korean 4 Apr 91 p 1

[Article by correspondent Yi Tong-chu from Tokyo]

[Text] A source in Japan on 3 April revealed that doctors living in Japan, who belong to the General Association of Korean residents in Japan [Chongnyon], will visit North Korea to cure President Kim Il-song's heart disease around 10 April, if possible.

The source, which knows well the internal situation of Chongnyon, revealed that most of the doctors are heads of hospitals or section chiefs of large hospitals, that they graduated from Tokyo University, and that they will go into North Korea through Niigata.

Prior to this, Swiss press had reported that doctors in Geneva tried to go to North Korea to treat President Kim's heart disease, but were prevented from doing so by the Swiss authorities. The source revealed that around 15 April, marking his 79th anniversary, President Kim Il-song may hand over to Kim Chong-il the position of general secretary of the party from among his positions as state president, general secretary of the party, and chairman of the Military Commission. In addition, the source revealed that this is to further hasten the realization of his inheritance system due to his health.

DPRK Government Allegedly Smuggles Narcotics

SK0404132291 Seoul CHOSON ILBO in Korean 4 Apr 91 p 1

[Text] It has been revealed that in order to tide over the serious foreign currency shortage, the North Korean Government is directly operating large-scale opium farms in areas on Kaema Plateau and in mountain areas in Yanggang Province for the secret sale of narcotics.

Cases of North Korean diplomats who purchased heroin from Nepal and Laos, the main opium sources in Southeast Asia, and engaged in secret sales were discovered in the past. However, the report that the government is directly cultivating opium is being revealed for the first time.

On 3 April, relevant authorities said that "beginning early in the eighties, North Korea had opium farms on

400,000-pyong of land [1 pyong is 3.954 square yards] around Kaema Plateau and on 200,000-pyong of land in mountainous areas in Yanggang Province that are inaccessible to the people, and is producing nearly 1,000 kilograms of opium (amounting to 130 billion won) annually."

The relevant authorities also added that whether or not North Korea is going to seed poppies this year, too, has become the target of keen interest among the international narcotics black markets.

The relevant authorities observed that North Korea's state-level crime of narcotics sales was prompted by its urgent economic situation in which it is unable to pay even salaries to its diplomats stationed in East Europe this year, and by the serious shortage of foreign currency caused by isolation from the international economy. North Korea will continue mobilizing diplomats, members of overseas business firms, and overseas workers in narcotics sales promotion. The relevant authorities also are of the opinion that there is a great possibility that North Korea will attempt to secretly bring narcotics into South Korea through members of the General Association of Korean Residents in Japan [Chongnyon] and Koreans residing in China.

On 3 March, the attempt of a North Korean diplomat and his wife stationed in Czechoslovakia to secretly sell one kilogram of heroin after bringing it from Sweden was uncovered. There have been 18 cases of secret narcotics sales by North Korean diplomats and business firms' employees in 14 nations, including Venezuela and Denmark, since 1976. Thus, the offenders were arrested and expelled.

Bulgarian Professor Analyzes DPRK Economy

SK0404081991 Seoul CHUNGANG ILBO in Korean 1 Apr 91 p 5

[Text] [Editor's Note] The 15th European Symposium of Korean Studies, which was held in Dourdan on the outskirts of Paris last month, was attended by Dr. Yuli Vanchev [name as transliterated], 45, of Bulgaria, who is one of the world's most authoritative experts on North Korean economy in Eastern Europe. Dr. Vanchev, professor of Bulgaria's World Economy and International Economic Relations Institute, presented an interesting paper on the inevitability of economic detente between North and South Korea at the symposium. Dr. Vanchev contributed especially to CHUNGANG ILBO an article on the North Korean economic crisis and on the prospects of the economic integration between North and South Korea. The article follows.

The North Korean leaders are taking desperate interest in the issue of North Korea's economic development now more than ever, because the ROK's economic development and its increasing role in the international arena are turning out to be a challenge which North Korea can hardly deal with. The North Korean leaders are well aware that the main reason for the dramatic political change taking place in Eastern Europe, the Soviet Union, and China is the economy.

Therefore, the major issues facing Pyongyang today are more economic than political, and the recent North Korean moves toward Japan and the ROK leaning toward openness are undoubtedly aimed at preventing the economic crisis from turning into an uncontrollable political complaint.

North Korea is suffering from a serious economic recession resulting from labor shortage, low productivity, crude economic management methods, and extreme imbalance in the industrial structure. North Korea's annual rate of economic growth for the last few years has been no more than 2 percent, revealing its increasing economic fragility. Continuing poor crops are aggravating the ration shortage even further. Yet North Korea's military spending is $21 billion, which is 24 percent of the GNP. Under these circumstances, foreign debts are increasing. North Korea's foreign debts, estimated to be $5.2 to $5.5 billion at present, are giving it notoriety internationally as being broke.

In brief, the aggravation of the economic situation and the rapidly changing influence from outside may well bring to North Korea serious political and economic consequences. If North Korea fails to find a proper alternative soon to cope with this radical change in international society, North Korea's political and economic crisis will inevitably have a negative impact on the inter-Korean relations.

ROK's "politics of the marketplace," which has been in practice since 1988, became an important domestic factor that gave birth to its open policy toward the communist camp, a policy which is now world-famous as the northern policy. The ROK sets the short-term ultimate goal of its northern policy at founding the inter-Korean economic community. This is considered to be the most appropriate basis for the political reunification of North and South Korea in the long run.

For this very reason, the reunification formula advocated by the ROK has been altered over the past several years from "one state, two governments" or "one state, two systems" to "one state, two regions." Therefore, the economic integration of North and South Korea is considered to be one of the important keys, if not the most important key, to the ultimate reunification.

Meanwhile, although North Korea has been compelled to explore economic cooperation with the ROK for several years because of its aggravated economic situation and the change in the political and economic environment, the North Korean leaders are still very cautious about it.

On the basis of this political and economic situation, we can anticipate a three-stage scenario of the inter-Korean economic cooperation in the foreseeable future.

The first stage will be for the period of about two years starting now, in which North Korea is expected to attempt a theoretical "development" of its self-reliant economy based on the chuche idea.

The ultimate objective of the theoretical development will, of course, be to ideologically support the urgency of an early integration into the international economic society. During this period, inter-Korean economic relations will be developed in a more intensive form, including gradually all the modern ways of international economic cooperation.

North Korea's most important objective in this first stage will be to prevent further widening of the economic gap with the ROK, if not actually reducing it. From this viewpoint, the first stage can be defined as a stage of economic superiority over politics.

The second stage, which can be described as a transitional stage, will be the most difficult and contradictory stage for North Korea.

Even if North Korea manages to strengthen its economy to a degree domestically and to further deepen its economic integration with the ROK for this second stage of two to three years following the first stage by 1995, the people both in the North and South of Korea and the whole international community will head during this period toward calling for the democratization of the North Korean political system.

From this viewpoint, we can say that the deepening of the inter-Korean economic integration at the second stage will become an important internal medium for instigating the overall political democratization on the Korean peninsula.

At the second stage, the external regional factor of Northeast Asia, as well as North Korea's domestic factor, will have considerable influence. The most important of the external influence will be the political development of the economic integration process between China and Taiwan for several years from now.

Since there is a certain similarity between the inter-Korean economic integration and that between China and Taiwan, the political and economic cooperation and a swift settlement of the reunification issue between China and Taiwan will bring about the most direct and positive influence in deepening the economic and social integration between North and South Korea and converting their cooperative relations into market relations.

If this scenario is right, the third stage, in which an economic basis will be built to realize an inter-Korean economic community in the future, will cover about the same time period as when the political and economic integration between China and Taiwan is realized. It is estimated that this integration between China and Taiwan will take about five years.

What I have said so far can be summarized as follows.

First, ROK's "one state, two region" concept of inter-Korean economic integration will be the most convenient and neutral proposal as a transitional measure for achieving the inter-Korean economic community. Second, if the first assumption is correct, the inter-Korean economic integration and the gradual formation of the inter-Korean economic community will turn out to be an important factor contributing to the political and economic democratization of the Korean peninsula as a whole and the political reunification of North and South Korea in the long run.

Third, the speed of the inter-Korean economic detente in the nineties will be as much influenced by the prospects of the political solution of the economic integration between China and Taiwan as by the internal political and economic situation within North Korea.

[Biographical sketch of Yuli Vanchev]: Professor of the Bulgarian World Economy and International Economic Relations Institute (present); born in Sofia, Bulgaria in 1945; graduated from Sofia Economic College in 1967; research fellow of Bulgarian International Economic Institute in 1968; Ph.D. from Oriental Studies Institute, Moscow in 1975 (North Korean and Chinese economy); full professor of the Bulgarian International Economic Relations Institute in 1987.

NSP Brings Charges Against Sanomaeng Members

SK0404022291 Seoul THE KOREA HERALD in English 4 Apr 91 p 3

[Text] The Agency for National Security Planning [NSP] announced yesterday that it has referred to the prosecution 12 key members of the Socialist Workers League [Sanomaeng], charging them with forming an "antistate" organization.

In announcing the results of its investigation into the underground body known as Sanomaeng, the nation's top security agency said that it was expanding its investigation to include those active in various social sectors, including politics, labor and cultural circles, who have close connection with the underground organization.

The security agency arrested 54 Sanomaeng members late last year.

Among the 12 newly arrested members are Pak Ki-pyong, 34, known by his alias "faceless labor poet," Kim Chin-chu, 36, Pak's wife, Pak Kwan-u, 29, head of Nodongmunhaksa, a monthly published by Sanomaeng, and Chon Tong-kyun, a dentist and Pak's financial supporter.

The NSP confiscated as evidence more than 14,000 units of materials, including printing machines, computers, bankbooks and various publications and pamphlets from their hideouts and printing houses.

Investigators are still looking into the possibility that Pak Ki-pyong has close connections with North Korea and international Communists, the agency said.

According to NSP, the underground body controlled by Pak has masterminded violent strikes at companies across the nation, including one at the Hyundai shipyard in April of last year.

The NSP also said that more than 70 labor unions are under the control of a Sanomaeng, which seeks armed revolution to establish a country controlled by laborers.

Sanomaeng led a series of arson and firebomb attacks on police boxes and government buildings by taking control of a radical underground student organization called Democratic Student League in 45 colleges and universities across the country, the agency said.

Sanomaeng has also proceeded with a plan to topple Chang Ki-pyo, chief policy-maker of Minjung (People's) Party [Party of the Masses], in order to take over that organization, the agency said.

Sanomaeng has launched secret campaigns to raise funds since 1988, collecting more than 300 million won from a total of 117 people in literary and religious circles, professors, journalists and artists, the agency said.

The agency accused Sanomaeng leader Pak of leading a luxurious and scandalous life with female secretaries in several offices, used as hideouts, under the pretext of doing a labor movement.

Electric, Electronics Imports for 1990 Reported

SK0104063091 Seoul YONHAP in English 0517 GMT 1 Apr 91

[Text] Seoul, April 1 (YONHAP)—South Koreans spent 10.93 billion U.S. dollars on imported electric and electronic appliances last year, up 8.9 percent over 1989, the Trade and Industry Ministry said Monday.

Import growth was particularly rapid in areas of slow localization, such as semiconductors, communications equipment, electronic medical apparatus, distribution and control panels, and computer parts.

Computer chips were counted at 4.09 billion dollars (up 12.7 percent), followed by 1.53 billion dollars for communications equipment (up 30.5 percent), 560 million dollars for computer parts (up 21.7 percent), 273 million dollars for distribution and control panels (up 29.8 percent) and 227 million dollars for electronic medical apparatus (up 28.9 percent).

Semiconductor imports rose due to active assembly-and-processing exports by makers such as Hyundai and Anam, ministry officials said.

Because of short domestic supply, imports of tubes for color televisions larger than 25 inches soared 45.7 percent to 223 million dollars.

Imports of localized items, in contrast, dove—magnetic heads (-19.1 percent) led the downward parade, followed by videotape recorders (-0.7 percent), testers (-2.1 percent) and electric welding machines (-17.2 percent).

Imports from Japan amounted to 5.36 billion dollars, or 49 percent of the total, widening the trade deficit with the neighboring country, followed by 2.95 billion dollars for the United States and 93 million dollars for the European Community.

Electric and electronic imports in January-February were tallied at 1.62 billion dollars, up 6.3 percent from the same two-month period last year.

Government To Lift More Import Restrictions

SK3003022191 Seoul YONHAP in English 0141 GMT 29 Mar 91

[Text] Seoul, March 30 (YONHAP)—South Korea will lift import restrictions on 131 agricultural, forestry and fishery products between 1992 and 1994, the government said Friday.

This will boost import liberalization in the sector from 84.7 percent this year to 87.2 percent in 1992, 87.6 percent in 1993 and 92.1 percent in 1994. The list was issued by the Agricultural, Forestry and Fisheries Administration after a policy review led by Deputy Prime Minister Choe Kak-kyu.

Listed for market opening in 1992 were 43 items (including swine, deer, fillets, octopus, frozen fruit and cane molasses), 44 in 1993 (including fowl meat, yellow corvina, sea cucumbers, peach juice and egg yolks) and 44 in 1994 (including carcasses, eels, Alaskan pollack, shrimps, prawns, crabs and squid).

The list has 44 of the 110 items demanded for liberalization by the European Community and the Cairns Group led by the United States, Australia and Canada.

The ministry said the liberalization was a result of Korea's graduation from the balance of payments (BOP) article of the General Agreement on Tariffs and Trade (GATT) in 1989. GATT ruled that as Korea had a trade surplus it was no longer able to use its trade deficit as a justification for import restrictions.

The GATT/BOP rule requires Korea to open markets for 273 agricultural, forestry and fishery items. The timetable for the other 142 items is due out in March 1994 and will run from 1995 to 1997.

A spokesman for the ministry said import priority was given to items that are competitive in price and quality, are lightly traded, have high transportation costs, are in short supply, can stabilize domestic price and will protect resources.

If the Uruguay round of multilateral trade negotiations ends by 1993, the government plans to impose tariffs on unliberalized items to equalize domestic and global prices. To ease the shock, the government will put some 3 trillion won (4.1 billion U.S. dollars) from tariff revenue into projects for rural development.

31 Consumer Goods Slated for Export to USSR

SK0404033791 Seoul THE KOREA TIMES in English 4 Apr 91 p 8

[Text] The Trade-Industry Ministry disclosed yesterday that 31 out of the 34 consumer products to be shipped to the Soviet Union on the basis of a tied loan this year have been selected.

The 34 products will be exported to the Soviet Union with a tied $800 million to be provided by Seoul to Moscow.

Korea will supply $1.5 billion in loans to the Soviet Union by 1993 in order to help it purchase Korean-made consumer products.

The loans are part of a $3 billion package of economic aid to the Soviet Union over three years starting this year in a bid to boost its backward economy.

The three items which have yet to be selected are video tape recorders (VTRs) and microwave ovens worth $120 million and color TVs worth $10 million.

The ministry said that of the 34 consumer products to be shipped to the Soviet Union this year, 14 will be set aside for business conglomerates and the remaining 20 for small and medium industries.

Of the $800 million in tied loans, business conglomerates will receive 60 percent and small and medium industries 40 percent.

The Export-Import Bank of Korea will supply the loans to enterprises which will export consumer products to the Soviet Union after it signs a tied loan contract with its Soviet counterpart in Seoul by the end of this month.

Specifically, each business conglomerate will receive 85 percent of its export amount in cash and 8 percent in finance bonds which will mature in two years with an annual interest rate of 8 percent.

On the other hand, small and medium companies will receive 92 percent of its export amount in cash and 8 percent in finance bonds with the same condition of maturity and interest as for business groups.

Bank Says Economy Grew 9 Percent in 1990

SK3003022591 Seoul YONHAP in English 0157 GMT 30 Mar 91

[Text] Seoul, March 30 (OANA-YONHAP)—The South Korean economy shrugged off sluggish exports to expand 9 percent last year in real terms, according to a tentative tally released by the central bank Saturday. This compares with 6.8 percent in 1989 and 12.4 percent in 1988.

Per capita gross national product (GNP) was 5,569 U.S. dollars, up 11.5 percent from 4,994 dollars in 1989, the Bank of Korea said, and GNP amounted to 130,373.5 billion won (184.2 billion dollars) at 1985 constant prices, up 9 percent from 119,576.7 billion won in 1989.

Gross domestic product (GDP), which excludes overseas factors from GNP, grew 9 percent to 131,262.8 billion won from 120,477.2 billion won in 1989.

The tax burden became heavier, hitting 20 percent for the first time last year, compared with 18.2 percent in 1988 and 18.9 percent in 1989.

The inflation-adjusted GNP growth rate was 10.5 percent in the first quarter, 9.9 percent in the second, 9.6 percent in the third and 6.8 percent in the last quarter. Sluggish growth in the fourth quarter was due to poor harvests, it said. The non-farm sector grew 9.3 percent in October-December.

Central bank officials said the economy began to recover in the second half thanks to an upturn in the manufacturing sector, favorable performances in the construction industry and a steady rise in consumption in the private sector.

Exports recovered somewhat but remained sluggish with a growth rate of 5.4 percent. Exports declined 3.8 percent in 1989.

Construction recorded the highest growth of 22.2 percent, followed by utilities with 16.6 percent. Agro-fisheries-forestry declined 3.9 percent and mining suffered a drop of 10.2 percent from the previous year.

Manufacturing grew 8.4 percent, higher than its 3.7 percent in 1989 but lower than the GNP growth rate.

Fixed capital investment posted its highest growth rate since 1978, expanding 23.4 percent last year. Savings have not grown fast enough to support investment. The savings-to-GNP level of 35.3 percent compares with an investment-to-GNP rate of 37.1 percent.

Growth Rate as Economic Health Indicator Viewed

SK3003084691 Seoul YONHAP in English 0636 GMT 30 Mar 91

[News analysis by Kim Tae-sik]

[Text] Seoul, March 30 (OANA-YONHAP)—Last year's growth rate of 9 percent indicates that the Korean economy has entered a recovery, at least statistically, though the figures hide some substantial problems.

It is true the economy expanded more than expected, surpassing the 6.7 percent of 1989 and the government's target of 7 percent, and the growth in the exports and overall economic strength was a sign that there is still potential for the economy to escape its long slump, economists say.

What makes the economists nervous is that the growth was led by domestic consumption and a boom in construction rather than by exports or manufacturing.

Exports powered the expansion of the economy in the last few decades but suffered a severe setback in 1988, when they fell 3.8 percent. Last year, they increased 5.4 percent. The export growth rate was eclipsed, however, by the 27-percent expansion of the construction industry and is trifling compared with a 13.8 percent rise in imports.

In particular, construction of housing units grew 54.5 percent as the government embarked on a project to build 2 million homes.

Consumption in the private sector slowed a bit from the previous year, but was still high at 10.4 percent.

The economists fear Korea will become a "consumption-oriented" economy. Excessive consumption ran rampant in 1990 despite a frugality campaign that drew howls of protest from abroad. Consumption of cars rose 28 percent, of household electric and electronic appliances 17 percent and of communications equipment 18 percent.

Another problem was that savings in the private sector dropped from 27 percent in 1989 to 26.6 percent (the rate was 30 percent in 1988), but the substantial growth of manufacturing from 3.7 percent in 1989 to 8.4 percent was an encouraging factor.

Korea's economic performance last year confirmed that there is still a chance for growth, and economists agree that success or failure of the Korean economy depends on reining in consumption, putting manufacturing in the drivers seat of economic growth, and conquering inflation.

Economy Shows Signs of Recovery in Jan-Feb

SK0204025291 Seoul YONHAP in English 0131 GMT 02 Apr 91

[Text] Seoul, April 2 (YONHAP)—South Korea's economy began a recovery in January-February, with industrial output up 10.3 percent and warehouse discharges up 12.5 percent, the National Statistical Office (NSO) said Tuesday.

Factories operated at 81.8 percent of capacity, up 1.3 percent from 80.5 percent in the same two-month period last year.

Domestic orders for machinery, an indicator of impending facility investment, jumped 5.7 percent and construction permits rose 23.2 percent, down sharply from 97.3 percent a year earlier but still strong.

Wholesale and retail sales gained 7.2 percent, down from 15.7 percent, indicating a turn from excessive consumption, NSO said.

In February, industrial output fell 5.5 percent. A three-day Lunar New Year Holiday was to blame, it said.

The leading composite index, predicting business performance two or three months ahead, shed 0.3 percent in February and the coincident composite index showed little change from January. For January-February, both indexes stood higher than last December.

The Korean economy, the report said, is expected to take off in the spring, fueled by brisk factory operation and strong exports to the Middle East.

"It is still hasty to picture the overall economic situation because irregular Lunar New Year Holidays have shaken the economic indicators in January-February," an official at the Economic Planning Board said.

"We have to wait until solid figures come up for March and April, but it looks certain that a recovery is going on."

The economically active population was tallied at 17.702 million people in February, up 595,000 from the same month last year, and jobs were counted at 17.14 million, up 623,000. There were 562,000 people out of work, a decline of 28,000, and the unemployment rate was 3.2 percent, up 0.2 percentage points from January but down 0.3 percentage points from a year ago.

Lotte Group Accused of Somjin River Pollution

SK0404030791 Seoul THE KOREA HERALD in English 4 Apr 91 p 3

[Text] Chonju—Lotte Ham & Milk Products Co.'s Chonju plant is accused of having discharged illegal amounts of untreated waste water into the upper reaches of the Somjin River.

Imshil County authorities Tuesday filed with the Chonju District Prosecutor's Office a complaint against the plant, a subsidiary of the giant conglomerate Lotte Group.

According to the complaint, Lotte Ham & Milk is alleged to have diluted waste with underground water in a bid to drop the contamination degree of the discharged waste below the Environment Ministry-set permissible limit.

County officials said the plant allegedly creates 940 tons of waste a day in the course of processing 190 tons of raw milk.

The plant was caught discharging the waste into the Owon Stream in the upper reaches of the Somjin River on the night of last March 29, county officials said.

The officials said they could not confirm whether the emitted waste exceeded the permissible contamination level, but they decided to file a complaint against the plant since the waste visibly appeared to be unclean.

Plant officials rejected the charge, saying that dirty water was discharged during a project to raise the plants waste treatment capability to 2,500 tons from 1,000 tons, and all treated waste flows through the septic tanks of their waste treatment facilities.

The prosecution sent to the Chollabuk-do Health and Environment Institute samples of the waste, collected by the county authorities, for testing.

Prosecutors said they would decide whether to launch an investigation into the factory officials responsible for treating waste according to the results of the testing.

Article Series Focuses on Environmental Issues

First Installment

SK2703011791 Seoul THE KOREA HERALD in English 26 Mar 91 p 3

[First in a series of articles on water pollution problems facing the nation by staff reporter Kim Su-yong]

[Text] The dumping of untreated waste phenol into the Naktong River and the subsequent pollution of the water supply in Taegu has sent shock waves across the nation, driving people to buy bottled water or go to the mountain side for natural spring water.

It has also touched off public outcry and demands for compensation for damages caused by the contamination.

This is the third time the nation has been embroiled in controversy over unsanitary piped water since 1989.

The government made public promises to provide the people with clean tap water whenever tap water pollution hit the headlines: In August 1989, some water plants were reported to have supplied water containing heavy metals and there were reports that tap water in some places were polluted with high doses of trihalomethane, a known carcinogenic and byproduct of chlorination.

The latest case has infuriated the people over the government's failure to make good its repeated promises.

Up to now, 13,000 industrial firms across the nation have discharged approximately 7.4 million tons of waste water, fouling streams, rivers and the sea; a costly price for the nation's industrialization.

Environmentalists say that the number of plants emitting waste water has increased by an average of 15 percent each year while the amount of waste discharged has risen by some 17 percent.

In particular, some 2,000 industrial plants have produced 210,000 tons of harmful substances such as lead, cadmium and phenol.

The nation has failed to cope with the ever-increasing amount of waste water and pollution of streams and rivers.

A senior of the Environment Ministry even admitted that the country's efforts to control a variety of pollution factors remain at the "primitive" level.

Furthermore, environmentalists share the view that the problem lies in the tendency of many industrial plants to take advantage of loopholes in environment laws and authorities' crackdown on pollutors.

According to the environmental watchdog agency, 10,786 firms spent 279 billion won in waste treatment last year, equivalent to an average of 26 million won per plant.

In contrast, 2,865 firms found to have dumped waste water above the permissible limit were imposed about 9,846 million won in penalties and fines, amounting to some 3.4 million won per firm.

As a result, many firms are not afraid of being subject to crackdowns by authorities concerned because fines or penalties are cheaper than waste water treatment.

Industrial plants are now allowed to continue operations even after being caught for violating waste water limits.

Under environment laws, any firm found to have dumped their waste without treatment faces only up to 10 days of suspended operation. Only after being detected for dumping untreated waste three times, will they have their business license revoked.

What is more serious is the shortage of crackdown manpower and outdated detecting devices, environmentalists said.

According to government figures, 1,200 people, including 400 from the Environment Ministry, are in charge of controlling businesses and industrial plants discharging water and air pollutants. The number of government officials active on crackdown teams is quite low, given the fact that the total includes desk-bound officials.

In case of the Ulsan branch of the Pusan District Environment Administration, only eight staff cover 737 waste-emitting firms in the industrial city.

Many firms are said to go without regular checks on their antipollution facilities during the whole year.

Most pollution control teams as well as water purification plants suffer a shortage of testing equipment.

Inspection teams in most cities and counties in Chollapuk-to have no testing devices of their own to measure pollution, so they have to send samples of water to city or provincial government-run environment research instituters for testing.

There are 68 industrial plants discharging phenol into upstream Naktong River water purification plants, the supplier of tap water for Taegu citizens.

Regular checks by Taegu City and the district environment agency have found no phenol since 1986, well reflecting the serious problems with control efforts by authorities concerned.

The prosecution found that Doosan Electro-Materials Co. which dumped large amounts of phenol into the Naktong River, causing the latest tap water contamination case, has operated a secret conduit to discharge untreated waste since 1984.

Doosan underwent regular checks seven times, but the firm was fined 100,000 won for not keeping records on treating waste only once.

Second Installment

SK2703013791 Seoul THE KOREA HERALD in English 27 Mar 91 p 3

[By staff reporter Kim Su-yong]

[Text] The nation, called "kumsugangsan" by generations of Koreans literally meaning a land of embroidered rivers and mountains, is now turning into fouled land with smelly rivers and mountains strewn with garbage, with emphasis placed on economic development, without due consideration of environmental protection.

No water in the nation's 20 major water purification plants is categorized as first-class, which requires only a simple treatment process.

The water quality of the Paldang Reservoir, supplying tap water for Seoulites and nearby residents and once considered the best, has already been downgraded to second-class.

Other plants face a starker reality: their untreated water quality has fallen to third- or fourth-class.

According to the Environment Ministry, the nation's four major rivers—the Han, Naktong, Kum and Yongsan—are now "dying," and have an ever-shrinking self-purification ability.

In the past, organic substances which melt down or dissolve voluntarily with the passage of time were the biggest polluters of the rivers.

But now an increasing amount of heavy metals and other harmful substances are flowing into water purification plants, as shown in the tap contamination in 1989 and recently.

Environmentalists say toxic chemicals and heavy metals kill aerobic bacteria which disintegrate organic substance.

As a result, they say current measuring methods such as the biochemical oxygen demand (BOD) and chemical oxygen demand (COD), which depend on measurements of the concentration of organic substances, are ineffective in testing how polluted rivers are.

Environmentalists brush aside authorities' contention that the water quality is improving because of declining BOD and COD levels.

They claim that the government should establish steps to cope with toxic chemicals as well as organic substances.

Since the early 1980s, environmentalists have maintained that major rivers and streams contain harmful substances, including heavy metals, but authorities concerned have flatly denied it.

But a survey conducted by the Pusan District Environment Administration last September officially confirmed for the first time that 0.043 ppm of chrome (VI), a toxic effluent for metal planting, was detected in the Naktong River.

A report that the cancer-causing substance, phenol, up 5 to 38 times the official limit, was measured in the Naktong River during the latest tap water contamination also came as a shock.

A recent survey, conducted by the Korea Tap Water Research Institute last December, indicated that five water purification plants, including the Paldang Reservoir, were contaminated with 11 kinds of toxic substances, including radium, a radioactive material.

The institute conducted the survey at the request of the Seoul City administration, to collect data on harmful substances.

Environmentalists share the view that water purification plants should be equipped with the water treatment facilities to filter these harmful substances.

There are 686 water purification plants across the nation, 60 percent of which are more than 10 years old. Some are obsolete.

Such worn-out purification plants are unable to filter toxic substances and heavy metals in the course of treating low-quality water.

Officials with water purification plants acknowledge that they check 14 areas, including color, taste, pH and dissolved oxygen—things easily tested daily.

The team, comprising four academics and three citizens was headed by Prof. Kwon Suk-pyo of Yonsei University.

Environmental authorities acknowledged the need for introducing the high-tech treatment methods, but are hesitant because of budget constraints, saying that these tests cost 10 times as much as the conventional treatment system.

Third Installment

SK2803024191 Seoul THE KOREA HERALD in English 28 Mar 91 p 3

[Third in a series on water pollution problems facing the nation by staff reporter Hwang Tu-hyong]

[Text] Many people are asking why the prosecution does not arrest the president of Doosan Electro-Materials Co., the main culprit of the controversial phenol contamination of the Naktong River.

Simply, there is no legal basis on which to do so.

The Water Quality Preservation Law and other laws which regulate pollution and contamination of nature have no provisions for the punishment of owners of waste-emitting firms. Thus, they are only subject to fines.

The Water Quality Preservation Law does, however, carry a five years' jail term or a maximum 30 million won fine against "working-level officials directly involved" in the illegal dumping of untreated wastes.

The law also calls for a 10-day suspension of operation for companies found to have illegally discharged untreated toxic chemicals.

Prosecutors point out that dumpers of toxic wastes cannot be punished under the current law unless the wastes were "intentionally" discharged.

Environmentalists argue that the current law is too light on those illegally emitting toxic chemicals, saying the environmental problem is emerging as one of the greatest public concerns.

They said that severe punishment of the "owners" or chief business executives of waste-discharging companies would be the only effective way to protect the environment.

In many cases, working-level officials of industrial firms have reportedly been forced by their employers to discharge toxic chemicals without treating them, they claimed.

Legal experts say that the problem lies in the current law which holds such offenders not in the light of criminals but as those subject to "administrative" punishments.

They also stress the need to impose harsher administrative measures, including cancellation of business licenses and shutdown of companies emitting pollutants.

Prof. Sin Tong-un of Seoul National University's Law School, say that those engaging in polluting industries tend not to feel a "sense of guilt" for releasing toxic wastes.

"That's partly because the current law punishes the illegal dumping as a violation of administrative regulations unlike in Western developed countries where such acts are regulated by stiff penal codes," Sin said.

He suggested that the National Assembly enact a special law, as in Germany, which charges owners of waste-emitting firms on criminal grounds.

Lawyer Yi Sok-tae also spoke of the need to introduce a special law similar to Japan's Pollution Crimes Punishment Law.

Lawyer Yi insisted that the government will have to charge expenses necessary to compensate for the damage caused by the Naktong River contamination to polluting companies in Kumi, Kyongsangbuk-to, as well as Doosan Group.

Yi based his claim on the provisions of the current law which allows government authorities to charge companies operating near a contaminated area for compensation when the source of the contamination is not clear.

He also proposed that the prosecution put behind bars the owners of waste-emitting firms by applying the Waste Control Law.

Yi's claim counters the prosecution's explanation on why the owners of waste-emitting companies cannot be put behind bars.

Aside from lack of provisions in the prevailing law for the punishment of illegal dumpers, legal experts say, the prosecution seems to have failed to do its utmost in trying to subdue the evergrowing public outcry over the Naktong River contamination case.

Critics have doubts on the prosecution which conducted only a brief interrogation of Yang Yu-sok, 52, former president of Doosan Electro-Materials Co., March 20.

The prosecution at the time released Yang, saying he was found to have had no knowledge of the illegal dumping.

The prosecution should have further interrogated Yang to determine the validity of the allegation that he was responsible as he had rejected several requests made by working-level officials to repair the broken-down anti-pollution device, critics say.

The prosecution's will to sternly punish environmental officials, who were in charge of inspecting Doosan and other waste-emitting firms in the Kumi Industrial Complex, also came under fire.

Critics say the arrest of seven officials of the Taegu Environment Administration will not suffice to serve a stern warning against possible polluters; the prosecution charged them only with the fabrication of official documents which carries light punishment.

Burma

Army Claims Capture of Enemy Camps in Hpawhta

BK0304144391 Rangoon Burma Television Network in Burmese 1330 GMT 3 Apr 91

[Text] An approximately 400-strong Karen National Union [KNU] force made up of men belonging to the 7th Brigade, the 4th column of the 20th Battalion, the Central Security Force, and the Papun District Administration have been setting up satellite bases as the key vanguard units of the KNU headquarters at Manerplaw in Hpawhta region, about 12 miles southeast of Papun town in the jurisdiction of the Southeast Military Command.

On 16 March 1991, with the backing of artillery and air attacks, our regimental columns under the tactical operations command of the 66th Light Infantry Division launched an offensive against the enemy camps in Hpawhta region. Point 2709 and Point 2336 camps which were strongly defended by the enemy were overrun on the same day.

While the assault on the camps in Hpawhta region was underway, our Defense Force column attacked and overran on 26 March the Point 4044 base camp which closely oversees the Manerplaw base. The other camps in Hpawhta region were also assaulted in this campaign. The enemy sent in reinforcements and put up a fierce resistance from inside the strongly-built camps. With air and artillery support, our columns continued the attacks with daring and courage. As a result, the Tokido camp was overrun on 28 March. Similarly, the (Toh-a-kyo) camp and the Point 2017 camp in the Hpawhta region fell on 29 and 30 March, respectively. The enemy units in that region have retreated toward the Manerplaw headquarters.

In this campaign, there were 14 incidents of hand to hand combat to wrest control of the camps, and one major battle. Six major enemy camps and four small ones were captured. Twenty soldiers from our side laid down their lives for the country while 79 others were wounded.

We found 85 enemy corpses [words indistinct], seven assorted small arms, 7,698 rounds of assorted ammunition, 92 assorted magazines, 25 assorted mines, 60-mm mortar base, 35 60-mm shells, 64 RPG's, 13 (Energa) shells, 70 baskets [1 basket equals about 1 bushel] of rice, and 50 viss [1 viss equals about 3.6 pounds] of salt.

AFP: Junta Remains Fearful of Student Unrest

BK0304133891 Hong Kong AFP in English 1126 GMT 3 Apr 91

[By Charles-Antoine de Nerciat]

[Text] Bangkok, April 3 (AFP)—Burma's military leadership, while signalling its intention to reopen universities which have been closed for three years, remains fearful of another wave of student unrest, Rangoon-based observers said Wednesday.

Now that political opposition to the junta has collapsed, a rekindling of pro-democracy student activism appears to be the only major threat to the generals who seized power in a September 1988 coup, the observers said here.

On Tuesday, a top junta member warned that student unrest would not be tolerated once Burma's universities are reopened. The campuses have been closed since students led nationwide democracy protests prior to the bloody coup.

The warning by Major General Khin Nyunt, often identified as Burma's most powerful leader, came amid unconfirmed but credible reports of incidents at a recently reopened college, the Rangoon- based observers said.

The unspecified incidents may have broken out following protests by collegial students in the central city of Taunggyi against poor conditions for accomodation and bad transportation facilities, they reported. Taunggyi College resumed work at the beginning of this year, as did another college in Lashio and medical and dental schools in Rangoon.

In an address Monday to Education Ministry officials, Maj.-Gen. Khin Nyunt said the junta was making arrangements for the opening of universities "with the exception of Rangoon and Mandalay," both traditionally hotbeds of activism.

In his remarks, broadcast on Radio Rangoon, Maj.-Gen. Khin Nyunt, who also heads Burma's military intelligence, said the government "does not want the extended closure of schools and disruption of students' education."

But at Tuesday's press conference, the 50-year-old leader said: "If attempts are made to cause unrest exploiting the callow youths, effective action will be taken against those concerned in the interest of the country."

"The higher institutions of learning have remained closed for a long period in order to ensure the rule of law and for the students not to be swayed by instigations to cause unrest," he said.

All schools were closed in Burma in 1988 amid student-led demonstrations and strikes calling for Western-style democracy in the resource-rich Southeast Asian country of 41 million, one of the world's poorest nations.

The protests paralysed Burma until the military staged its coup, during which soldiers opened fire on unarmed civilians, killing thousands and prompting many students to flee Rangoon and other cities.

According to the observers, there is speculation in Rangoon that an announcement to reopen universities may be timed to mark the anniversary of elections which took place on May 27 last year.

Burma's main opposition party, the National League for Democracy (NLD) swept the polls despite the detention of its charismatic leader, Aung San Suu Kyi, since July 1989. But with 45-year-old Ms. Aung San Suu Kyi, daughter of Burma's independence hero General Aung San, remaining under house arrest and subsequent waves of arrests taking place, the military has refused to transfer power. "The NLD is a shell of its former self," one Rangoon-based observer noted. Opposition to the military by the NLD and other smaller pro- democracy movements has now "collapsed," he added.

A revolt last year against the military by elements of the Buddhist clergy has now also fizzled out, with a number of monks having been arrested or defrocked, the observers said. The revolt, a boycott of the military in the predominantly Buddhist nation, had started in Mandalay, home to some 80,000 monks, and spread to other cities including Rangoon.

Battle Between Ethnic Forces Resumes 2 Apr

BK0304020591 Bangkok THE NATION in English 3 Apr 91 p A4

[Text] Soldiers of opium warlord Khun Sa's Mong Tai Army and the United Wa State Army yesterday resumed sporadic shooting after being dislodged by Thai Army units from their bases on Doi Laktaeng within a kilometre from the Thai border in Mae Ai district of Chiang Mai province, according to military sources.

The two ethnic forces, now positioned two kilometres away from the Thai border, were bombarded heavily last week by Thai artillery and air force jet fighters in order to push them back from the Thai border to prevent casualties among Thai villagers.

The source said the Thai army on Doi Laktaeng had not responded to the latest round of fighting because of dense fog in the area. It said the Thai military had brought 10 truckloads of barbed wire into Border Patrol Police Headquarters 32 to make barriers on Doi Laktaeng to ward off the two ethnic forces.

The source said Khun Sa's army has suffered serious casualties, with 82 soldiers dead and 72 injured, following intense fighting with the Wa army and the Thai military action to repel them from the broder area. Most of Khun Sa's casualties were caused by the Thai artillery bombardment to force them from Doi Laktaeng, the source said.

It said the Thai military has seized all five of Khun Sa's army bases on Doi Laktaeng. Thai soldiers destroyed two bases and kept the others to use as bases to guard the border area.

Brunei, Malaysia & Singapore

Malaysia

Minister: Trade Group Follows U.S. Example

BK0104051291 Kuala Lumpur BERNAMA in English 0323 GMT 1 Apr 91

[Text] Kuala Lumpur, April 1 (OANA-BERNAMA)—Malaysia was only following the example of the United States in proposing the formation of the East Asian Economic Grouping (EAEG) to strengthen trade relations with its neighbours.

International Trade and Industry Minister Rafidah Aziz said the concept and purpose of the proposed EAEG was similar to the approach adopted by the United States previously.

The United States had, in the past, signed trade pacts with Canada, Mexico, and South American countries with the aim of expanding their markets, she added.

"In short, we studied the approach adopted by America and have employed all the positive and effective steps taken by them," she said.

Rafidah said the formation of the EAEG was not a step towards creating a trade bloc but it would help serve as an "informal consultative group" for member countries.

She would visit Japan and South Korea beginning this Wednesday to explain to the leaders of the two countries the aims of the proposed EAEG.

Rafidah said it was important to note that the EAEG would not undermine the influence of either ASEAN or the Asian Pacific Economic Cooperation (APEC) grouping which functioned as a main body in enhancing trade of ASEAN and countries of the region.

Islamic Party Rally Celebrates Anti-U.S. Day

BK0404104491 Singapore THE STRAITS TIMES in English 4 Apr 91 p 18

[By Ismail Kassim]

[Text] Pokok Sena (Kedah)—With prayer rugs, mats or newspapers, they came by the thousands on the night of the 17th of Ramadan (Tuesday) to this isolated corner of northern Kedah to condemn the United States for destroying Iraq in the recent Gulf war.

In buses, vans, cars or on motorcycles, they poured in from all over Kedah, Perlis and Penang, with some even coming from as far away as southern Thailand. The vehicles, closely parked on both sides of the unlighted highway, stretched for about 3 km.

They were made up of students from religious schools and supporters of the main opposition groups such as Parti Islam (PAS), and padi farmers and urban folk from Alor Star.

They were all responding to the summons of PAS leaders, who together with their counterparts in a number of Muslim organisations abroad, had planned this Anti-America Day to coincide with two anniversaries close to the hearts of the faithful.

The 17th of Ramadan marks the anniversary of the first revelation of the Holy Quran received by Prophet Mohamad from the angel, Gabriel. It is also the anniversary of the Battle of Badr, which was the first victory of the fledging Muslim forces against the infidel hordes.

The venue of the gathering was at the site of the proposed PAS village, called the Muasassah Darul Ulum, whose development has been frozen for some years because of opposition from the UMNO [United Malays National Organization] state government.

The Kedah government withheld approval, saying that the site, a former rubber estate, had not been converted for residential purposes.

The gathering began with the breaking of fast at sunset, followed by the evening, night and special prayers held only during the fasting month.

By half-past nine when the proceedings began, there were rows upon rows of the faithful sitting cross-legged facing the makeshift rostrum. From a distance, it looked like a sea of white caps spread over two football fields.

Among the early speakers were Kelantan Mentri Besar Haji Nik Aziz Nik Mat, one of main attractions of that night, who had to take his leave early to catch the last flight back to Kota Baru.

Others included lawyer Mohideen Abdul Kadir from the opposition Parti Rakyat Malaysia, Mr Ahmad Shaberry Chik who represented the Spirit of '46, and representatives from Islamic organisations such as the Religious Scholars Assocation of Malaysia.

The Americans and their allies were given a bashing by all the speakers for their "savage attacks against Iraq to further their own ends and to undermine Islam on behalf of Jewish-Zionist groups".

The arguments were nothing new. From the start of the Gulf crisis, the PAS leadership under Haji Fadzil Noor had been making the same accusations in their ceramahs (dialogue sessions) all over the country.

The response of the crowd, too, was predictable. Taking the cue from the stage in front, they punctuated the cool night air with their screams of Allahu Akbar, or God is Great.

There was no break in the anti-American rhetoric. Even a specially composed sajak (poem) read out by Haji Nekmat Yusof was notable for its anti-US, anti-West, anti-Zionist overtones.

It was also a time to hit out at the local enemy, UMNO, which heads the ruling National Front coalition, for supporting the United Nations resolutions.

The UMNO-led government was bought over for US$1 million (S[Singapore]$1.78 million) in military training aid, alleged Haji Fadzil, the star speaker of the function.

To the faithful, who had waited for so long, his thunderous voice echoing over the sea of white caps was the culmination of the night's event, for which many donated at least a dollar for the Islamic Fund to finance the "struggle against the American-Zionist Axis".

It has always been a marvel to observers how PAS could attract such a huge crowd at all their functions. Was it commitment that drove them by the thousands to be present? Or was it the lack of entertainment or because there was nothing better to do in the countryside?

Bernama reported that more than 10,000 PAS supporters and members of several Islamic-based organisations attended the rally.

'Disintegration' of Opposition Party Viewed

BK0404041991 Bangkok THE NATION in English 4 Apr 91 p A9

[Article by Sonny Inbaraj: "Mahathir's Rival 'Spirit' Broken"]

[Text] The two-year-old Spirit of '46 formed to challenge the leadership of Malaysian Prime Minister Mahathir Mohamed is being put to the test following resignations of certain top leaders in the opposition party.

The list includes party deputy president Rais Yatim, vice-president Marina Yusuf, party deputy permanent chairman and founder member Haji Abu Bakar Ashaari, Malacca state chief Wira Ahmad Nordin and Perlis state party chief Sheikh Radzi Ahmad.

The biggest blow, however, came last week when Spirit of '46 youth leader Ibrahim Ali quit hours before he was due to face a no-confidence motion within the party. Observers in Kuala Lumpur indicate the youth leader's resignation appears to have accelerated the disintegration of the opposition party. Ibrahim is also Kelantan state assemblyman for the Pasir Mas constituency.

Already up to 40 Kelantan state Spirit of '46 officials, including another Kelantan state assemblyman, have followed Ibrahim in leaving the party.

Reports from Kota Baru indicate hundreds of ordinary Spirit of '46 members in Kelantan appear to be on the verge of returning to Mahathir's United Malays National Organization (Umno) because of their dissatisfaction with the opposition Islamic fundamentalist Parti Islam Malaysia led state administration.

The Spirit of '46 is the junior partner in the opposition Kelantan state government and is led by a Kelantan prince and former trade and industry minister Tengku Razaleigh Hamzah, the arch rival of Premier Mahathir.

Razaleigh fell out of Mahathir's favour when he challenged the prime minister for the Umno presidency post and lost by a slim margin in 1987.

That same year, the High Court dissolved Umno in a dispute over party polls. A wing led by Mahathir formed the new Umno whch now dominates the ruling National Front coalition. The other faction led by Razaleigh formed the Spirit of '46.

During the general election last October, Razaleigh brought into his fold the pro-Chinese rights multi-racial Democratic Action Party (DAP), the Islamic fundamentalists Parti Islam Malaysia (PAS) and an Indian party.

For the first time since independence in 1957, the ruling National Front coalition faced an opposition party representing the three ethnic races in peninsular Malaysia and the Islamic fundamentalists.

Razaleigh's Spirit of '46, however, turned in a dismal performance when the polls were returned. The party only managed to take eight of the 180 parliamentary seats and all the party luminaries were swept away by National Front candidates except for the Kelantan prince himself.

The party's fortunes in Kelantan state, however, were different. In the 39-seat state assembly, the Spirit of '46 managed to win 13 seats and PAS, 24. The Spirit of '46-PAS coalition managed to wrest control of the state from Umno, which had been in power since 1978.

It is still too early to tell whether Spirit of '46 youth leader Ibrahim Ali, who was a close aide to Razaleigh, has delivered the death blow to the party.

No one has been more loyal to Razaleigh since the mid-70s than Ibrahim whose father was the valet of the Kelantan palace.

For more than a decade, Ibrahim was always at the forefront of all the political battles Razaleigh fought within and outside Umno.

When Razaleigh unsuccessfully fought against the then deputy prime minister Musa Hitam for the Umno deputy presidency in 1981 and 1984, Ibrahim was his right-hand man.

Ibrahim also played an instrumental role in the unsuccessful campaign by Razaleigh to unseat Mahathir in the Umno leadership in 1987, and in the formation of the Spirit of '46 later.

Even if all 13 from the Spirit of '46 were to switch sides (which is highly unlikely), PAS could still rule Kelantan state with its control of 24 seats. This therefore rules out the possibility that the administration of the state would collapse with the defection of Spirit of '46 state assemblymen.

Umno's hopes, however, of recapturing Kelantan have brightened up following the problems in the Spirit of '46 and resignations of the party officials.

Mahathir said recently in Kota Baru: "Given the present circumstances, God willing, we may not have to wait that long to win back Kelantan."

After losing all the seats in the state to the Spirit of '46 - PAS coalition, Umno leaders felt that it would take them about a decade to overthrow the opposition.

Now Mahathir has come up with a comprehensive strategy to strengthen Umno to prepare for the tough challenge of unseating the PAS-led administration. As for the Spirit of '46 and its future, a lot depends on Razaleigh himself. If he wants to continue the opposition against Mahathir, the party will not fold up even if other leaders keep leaving one by one. It is a fact that Razaleigh and the Spirit of '46 are one and the same and he has enough resources of his own to keep it going.

Most of the other former Umno leaders who joined him in forming the Spirit of '46 have all lost interest after the decisive defeat of the party in the last October general election.

Unlike PAS which has been organizing political meetings and gatherings even after the polls, the Spirit of '46 had been relatively inactive. Take for example the Persian Gulf War. It was exploited by PAS to arouse sentiments among the Malays and Muslims but the Spirit of '46 only watched from the sidelines.

Umno leaders voice optimism that Razaleigh will eventually return to the fold of the party. Umno Information chief Hussein Ahmad said: "That is the reason he (Razaleigh) is allowing the Spirit of '46 members to rejoin Umno."

Observers say Razaleigh might be contemplating this possibility unless he's resigned to the fact that he might suffer the same fate as Dato Onn Jaafar and Aziz Ishak if he continued to oppose Umno.

Both Dato Onn and Aziz left Umno to form parties of their own which were subsequently rejected by the Malays at the polls.

One political party that is very concerned over the disintegration of the Spirit of '46 is the pro-Chinese rights multi-racial DAP.

DAP Secretary-General Lim Kit Siang is wary that the latest developments could jeopardize the registration of the Gagasan Rakyat (People's Might) which groups the Spirit of '46, the DAP, the All-Malaysian Indian Progressive Front and the Malaysian Solidarity Party in a new opposition aliance. The People's Might is gearing up for the next general election due by 1994.

A DAP official told THE NATION that Secretary-General Lim would be taking a trip soon to Kota Baru to meet with Razaleigh and Ibrahim in order to work out a compromise.

"It is imperative that the Spirit of '46 stays together in order for the People's Might to be registered by the Registrar of Societies. If the Spirit of '46 falls, Chinese votes could be in jeopardy, because many of them backed Razaleigh's candidates in the October elections," the official said.

Communists Caught Trying To Enter Illegally

BK0304101091 Kuala Lumpur NEW STRAITS TIMES in English 2 Apr 91 p 2

[Text] Sungai Petani, Monday—Several members of the former Communist Party of Malaya (CPM) who tried to enter the country illegally through the Malaysian-Thai border were caught recently.

Kedah CPO [Chief Police Officer] Datuk Mohamed Som Sulaiman said the Police Field Force and other enforcement groups, including the Anti-Smuggling Unit and the army patrolling the border, arrested several of them trying to get into the country.

"We detained them for questioning and then sent them back (to Thailand)," he told reporters after officiating at the state-level 21 Police Cadet Corp Day celebrations at the Sekolah Menengah Mohamed Jiwa here yesterday.

Datuk Mohamed Som said security at the border areas had been tightened to ensure no one entered the country illegally.

He said: "The enforcement groups are patrolling the border areas round-the-clock to detect any illegal entry of CPM members or other terrorist groups."

Bank Chief Says 1990 Economic Growth 10 Percent

BK3003062491 Kuala Lumpur BERNAMA in English 0526 GMT 30 Mar 91

[Text] Kuala Lumpur, March 30 (OANA-BERNAMA)—Malaysia outperformed all the ASEAN countries and the Asian newly industrialised economies in 1990 with a real output growth of 10 per cent.

Central Bank Governor Jaffar Hussein said this was due to effective restructuring and strengthening of the domestic production base into a broader range of manufactures.

The double-digit growth in construction activities, strong domestic demand, and a marked improvement in incomes were also contributory factors.

Speaking at the launching of the Central Bank's annual report, Jaffar said that of significance was the continued surge of 30 percent in private investment and a 12-percent growth in private consumption.

He said the government was being confronted with a whole new set of economic management issues arising from this buoyancy in private investment, especially direct foreign investment.

Estimates 1991 GDP Growth

BK3003103091 Kuala Lumpur BERNAMA in English 0558 GMT 30 Mar 91

[Text] Kuala Lumpur, March 30 (OANA-BERNAMA)—The Malaysian economy is expected to remain strong and outperform others in the Asia-Pacific region this year despite the dampening effects of the world economic slowdown.

The Central Bank has estimated that economic growth in 1991 would be in the region of 8.3 percent to 8.6 percent depending on the price of crude oil.

The Central Bank projects that based on the oil price of U.S. $20 a barrel, real gross domestic product growth would likely be 8.3 percent.

But if the oil price dipped to U.S. $15 a barrel, which some expect, a higher growth of 8.6 percent is achievable on account of a favourable effect from the stronger economic performance and lower inflation in the OECD (Organisation of Economic Cooperation and Development) countries.

Central Bank Governor Jaffar Hussein said the optimism of continued strong economic performance this year stemmed from the underlying strength in domestic demand, emanating largely from the high level of private investments already locked in since 1988.

But despite the bright outlook, some hiccups and cause for concern can be expected, among which are rising inflationary pressures on the domestic front and a deficit in the overall balance of payment on the external front.

Jaffar said in an environemnt of rising food prices, rental rates, increased wage pressures and buoyant domestic demand, inflation could accelerate in 1991 to as high as 4.5 percent from the 3.1 per cent reegistered last year.

He added that the Central Bank would continue its tight monetary stance to curb inflationary tendencies and give priority to [word indistinct] stability.

Singapore

Ban on Import-Export Trade With Kuwait Lifted

BK3003133291 Singapore THE STRAITS TIMES in English 29 Mar 91 p 48

[By Jean Chia]

[Text] Singapore has lifted its ban on import and export of goods to and from Kuwait, effective yesterday.

The ban had been imposed on Aug 25 last year, shortly after Iraq's annexation of Kuwait.

However, a spokesman for the Trade Development Board which had made the announcement, said that the ban on trade with Iraq will continue.

Responding to the lifting of the ban on Kuwait, a happy Mr. Zaher Mohammed Zaher, the Director of the Arab Business Centre, said: "Business will start from now on."

The centre—run by the Singapore Manufacturers' Association—is already seeing a marked increase in the number of Middle East businessmen turning to Singapore for supplies.

There have been at least two to three Middle East visitors each week to the centre since the end of the war, compared to the pre-war average of six visitors a month, he said.

He also disclosed that a number of Singapore companies are close to concluding deals to supply a total of US$50.6 milion (S$89.05 millon) worth of computer spares, building and packaging materials to companies in Libya and the United Arab Emirates.

No further details are available.

But Mr. Shabbir Hassanbhai, a managing partner of local trading company Zee Chin & Company, said the lifting of the ban "means little" at the moment, because unless business channels in Kuwait are known to be functioning and travel visas are available, direct trade cannot be restored.

The company used to export building materials and computer peripherals to Kuwait before the ban was imposed.

Currently it has no direct contact with its Kuwaiti customers, and is only doing business with firms in Dubai and Saudi Arabia.

The company said it was not aware of whether some of these goods were being rechannelled to Kuwait.

Another company, Aquaworks and Engineering which does special water-feature projects, like aquariums, in the Middle East, said that it would have to wait a while for business with Kuwait to pick up again.

Mr. Alvin Yeo, its Managing Director, said that basic commodities will be more important to the Kuwaitis at the moment, and "the demand for luxury and leisure items will probably only increase in the next six months".

Mr. Seah Cheong Leng, General manager of the Hydrocarbon Resources Group of Intraco, said that his company was already planning a trade mission in the next few months which would take in Kuwait, together with Saudi Arabia and Iran.

Mr. Seah said that Intraco, which exports plastics and petrochemnicals to the Middle East, hopes also to supply consumer products, textiles and food products.

Dutch Prime Minister Arrives for Official Visit

BK0204131891 Singapore Domestic Service in English 1100 GMT 2 Apr 91

[Text] The prime minister of the Netherlands Mr. Rudd Lubbers has arrived in Singapore on a two-day official visit. He is here at the invitation of the prime minister, Mr. Goh Chok Tong.

Mr. Rudd Lubbers has called on President Wee Kim Wee and the first lady. He was given a ceremonial at the Istana [Palace].

While in Singapore, Mr. Lubbers will hold talks with Mr. Goh, give a lecture, and take part in a television panel discussion at SBC [Singapore Broadcasting Corporation].

Gives Speech at Dinner

BK0204152491 Singapore Domestic Service in English 1400 GMT 2 Apr 91

[Text] The Prime Minister Mr. Goh Chok Tong sees broad potential for Singapore and the Netherlands to cooperate to enhance their position as economic hub—the [word indistinct] service Singapore has been stepping up its need to the Netherlands.

Mr. Goh was speaking at an official dinner for the visiting Netherlands Prime Minister Mr. Rudd Lubbers. He said Singapore has invited the Dutch to set up a big trade and distribution center here to serve the Asia-Pacific. They can also increase their trade with Singapore and the region by making greater use of our ports to distribute all cargoes.

Mr. Goh also welcomed the Dutch businessmen to take part in the growth triangle noting that they have long and historic links with the region. The prime minister said another area the two countries can cooperate in is [words indistinct] in trade. He said they should work together to ensure a successful Uruguay round to strengthen the multilateral trading system.

In his speech the Dutch Prime Minister said the European Community will remain outward-looking in the promotion of a single European market which (?will be) not too big. Dr. Lubbers said there is strong interdependence and cooperation in the world. This interdependence implies that regional cooperation in Europe and Asia should not become inward-looking. And Singapore and the Netherlands, Mr. Lubbers said the increasing cooperation in trade and investment shows that both countries have common economic interest. He said a trade and distribution center set up in Rotterdam to market Singapore products will help Singapore companies fit into the single European market. He said this can be done by using the distribution network in the Netherlands. Mr. Lubbers said many leading Dutch companies have also set up offices here as they see Singapore as a springboard to countries in the region.

The Dutch Prime Minister who is here for a three-day visit has called on President Wee Kim Wee.

Holds Talks With Goh Chok Tong

BK0304132291 Singapore Domestic Service in English 1100 GMT 3 Apr 91

[Text] The visiting Dutch prime minister, Mr. Rudd Lubbers, this morning called on the prime minister, Mr. Goh Chok Chong, at the Istana [Palace]. They later joined delegations from both sides to a round-table discussion.

Also present were the deputy prime minister and trade and industry minister, Brigadier General Lee Hsien Loong; and the communications minister, Dr. Yeo Ning Hong; and the finance minister, Dr. Richard Hu.

The Dutch delegation was made up mainly of businessmen. Discussions centered on economic matters, with the Dutch businessmen interested in the prospects to invest in the region.

They hoped Singapore would play the role of a gateway for Dutch investment in the region and that Singaporean firms would use the Netherlands to market its products in Europe.

The Dutch secretary of state for foreign affairs, Mr. Piet Dankert, held a separate meeting with the senior minister of state for foreign affairs, Brigadier General George Yeo.

Says EC No Stumbling Block to GATT

BK0404133691 Hong Kong AFP in English 1055 GMT 4 Apr 91

[Text] Singapore, April 4 (AFP)—Dutch Prime Minister Rudd Lubbers said here Thursday that the European Community (EC) had not hampered the General Agreement on Tariffs and Trade negotiations.

Mr. Lubbers, addressing a press conference, said that although there were differences between the EC and the United States in the GATT negotiations, particularly on farm subsidies, the two should not be singled out for criticism.

He said he hoped President George Bush would be able to persuade the American business community on the need to expand world trade and to shun protectionist attitudes.

He pointed out that Japan too had a major part to carry out in the success of GATT and should be called upon to play a constructive role.

"Japan's expansive (trade) attitude is also a factor. It has a long way to go to open up its domestic market," Mr. Lubbers said.

"There is a need for a successful end to the GATT negotiations and a neccessity to reach an agreement," the Dutch Prime Minister said.

Mr. Lubbers arrived in Singapore for a two-day official visit at the invitation of his Singapore counterpart Goh Chok Tong.

Mr. Lubbers said he supported the grouping of nations into trade blocs as a favourable factor in spurring successful negotiations.

He added that it would be much easier for negotiations to be conducted between, or among, trade blocs than to hold meetings on a bilateral basis with individual countries.

He dismissed suggestions that the EC was ignoring Southeast Asia in its business and economic activities and said it was up to the six nations of the Association of Southeast Asian Nations (ASEAN) to make the first move.

ASEAN is made up of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.)

Mr. Lubbers pointed out that ASEAN began more as a politicial grouping than as an economic one and there was now a need for the six-member organisation to work out plans for a common market.

He said that for the first time there would be an economic agenda when the ASEAN-EC meeting is held in May in Brussels, unlike in the past when politicial issues were the focus.

He added that there would also be a meeting of economic ministers of the EC and ASEAN during the Brussels meeting and this was an indication that trade issues would play a big part at the meeting.

On the Gulf situation, Mr. Lubbers said there was an urgent need for peace in that region and described as "a shame" what was going inside Iraq.

He said the Netherlands opposed how President Saddam Husayn was putting down the Kurds.

Mr. Lubbers took part earlier Thursday in a television forum with local academics. The subject of their discussion was the emergence of a single EC market in 1992 and the role of the EC in GATT.

Wednesday Mr. Lubbers delivered a speech on international trade development at the Institute of Southeast Asia Studies.

Mr. Lubbers and his party, which includes the secretary of state for foreign affairs, Piet Dankert, leave for home later Thursday.

[Singapore Domestic Service in English at 1100 GMT on 4 April carries the following report: "The visiting prime minister of the Netherlands, Mr. Ruud Lubbers, says he hopes ASEAN will gradually develop into a sort of regional economic group so that it can play a (?prominent) role in the world trading system. Speaking at a news conference, he said ASEAN has its stability and self-confidence [words indistinct] and with the possibility of working together and opening markets, ASEAN countries should combine forces to more intensive market relations.

"Mr. Lubbers is on a three-day official visit at the invitation of the prime minister, Mr. Goh Chok Tong."]

Paper Views Emigration by Citizens to Australia

BK0404100491 Singapore THE STRAITS TIMES in English 2 Apr 91 p 24

[Editorial: "Open Door For Emigrants"]

[Text] Although neither very comprehensive nor representative, the recent Institute of Policy Studies report on Singapore emigrants in Australia and Canada is a useful contribution to the debate now going on over the problem of talented Singaporeans leaving the country and how they may still be tapped to serve Singapore's interest. The subject is not a new one. The problem of the brain drain has been discussed on and off for well over a decade, especially in the last few years. But this is the first systematic study of its kind, going not just into why the respondents left Singapore but also how well they have adapted to their new countries, their priorities in life and their present attitudes to Singapore. As such, it is a broader and probably more reliable policy guide than previous studies which had been much narrower in scope or were based on hearsay or purely random interviews.

In some respects, the latest study merely confirms previous reports on the subject—that most people emigrate because of dissatisfaction with the socio-economic and political environment, for the sake of their children's education and for better economic opportunities. But it also contains some surprises, for instance the fact that those in Australia left for very different reasons from those in Canada. Similarly, the relatively low priority the emigrants place on high income and standard of living, and the relative unimportance given to the availability of entertainment facilities, are at odds with the popular belief here that many people leave for greener pastures or would be induced to stay if Singapore had more recreational facilities.

For policy-makers, the report is not a very comforting one, suggesting as it does that Singapore is simply too small and too vulnerable to accommodate the aspirations of some of its people. Although the more open and consultative style of the present leaders may reduce the number of those who leave because they feel alienated, Singapore will never provide the degree of freedom, political as well as societal, that the bigger, better-endowed countries of the West can afford and which some Singaporeans yearn for. Similarly, while the provision of more university places and a more varied, rounded education through independent schools and the fine-tuning of current education policies may keep some who might otherwise leave, the system here will necessarily be less relaxed than that in richer countries which are not entirely dependent on their people for their prosperity.

The fact then is that emigration is here to stay whatever the Government does. With all the goodwill in the world, it cannot overcome the constraints and limitations imposed by geography that irk a minority of its citizens. That the emigrants are only a tiny minority, albeit a valuable one because of their eduation and skills, is a point that needs stressing. Further, it is useful to remember, too, that the number of immigrants coming to Singapore far outnumber those who leave. That said, it must also be added that there are some things that can be changed, not merely to keep people from wanting to leave but as worthwhile goals in themselves. Chief among these is the over-emphasis on academic and paper qualifications, so much so that those without them feel that they have no place, let alone a future in Singapore. Also, a more relaxed attitude to those who try and fail would make for a more gracious society that is difficult to leave, not to mention encourage a sense of adventure and entrepreneurship. Finally, a more mature attitude to those who leave is needed, not just on the part of Government but among Singaporeans at large. While it would be invidious to change fundamental policies for the sake of a few emigrants or to roll out the red carpet in order to get them to return, Singaporeans should keep in mind that emigrants are still kith and kin who can contribute much and should be persuaded to do so. The door should be kept open for their return.

Cambodia

Hun Sen Chairs Council of Ministers Plenum

BK0404142291 Phnom Penh Domestic Service in Cambodian 1300 GMT 4 Apr 91

[Text] The plenary session of the Council of Ministers was held solemnly on the morning of 4 April at the Council of Ministers' office under the chairmanship of Comrade Hun Sen, member of the the Political Bureau of the party Central Committee and chairman of the Council of Ministers. Attending the session were the comrades vice chairmen of the Council of Ministers, ministers, deputy ministers, directors, deputy directors, and leaders of various central institutions.

The council summed up the outcome of important work during the lapse of the last plenary session from 5 January to the end of the first quarter of 1991 and discussed the work targets to be implemented in the second quarter of this year.

Hun Sen, Chea Sim Receive U.S. Senator Kerrey

BK0404080491 Phnom Penh SPK in French 0415 GMT 4 Apr 91

[Text] Phnom Penh 4 Apr (SPK)—"President George Bush and U.S. senators do not want the genocidal Pol Pot regime to return to Cambodia for the second time," said U.S. Senator Robert Kerrey.

Under his leadership, a group of U.S. senators, who traveled by car from Ho Chi Minh City, arrived in Phnom Penh on 2 April for a two-day official visit.

They were received by Hun Sen, chairman of the Council of Ministers, who reaffirmed the State of Cambodia's position of goodwill in the search for peace to put an immediate end to the Cambodian people's suffering.

Robert Kerrey stressed that the goal of his mission, the second to Cambodia, was to gain information on realities in Cambodia and to pass it on to the U.S. Government so that the latter can contribute to a solution to the Cambodian conflict.

Robert Kerrey and his delegation held talks with Foreign Minister Hor Namhong during which the two sides agreed on the necessity of preventing the return to Cambodia of the Pol Pot clique.

Senator Robert Kerrey said he will fight against the economic embargo imposed on Cambodia to pave the way for investment necessary to rebuild the country and that he will work toward seeing that Cambodia receives aid through nongovernmental organizations.

The U.S. senators were also received by Kong Sam-ol, vice chairman of the Council of Ministers. The meeting was on economic problems and the current difficulties of the State of Cambodia, particularly the food shortage caused by natural calamities, and other major problems to be settled later.

Chea Sim, chairman of the National Assembly, also granted a cordial meeting to Robert Kerrey who affirmed that he will do his best for the Cambodian people's interest.

The U.S. senators visited the former royal palace and the silver monastery.

Heng Samrin Greets Hungarian President

BK0404040691 Phnom Penh Domestic Service in Cambodian 1300 GMT 3 Apr 91

[Text] On Hungary's national day, Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the State of Cambodia's Council of State, sent a congratulatory message to His Excellency Arpad Goncz, president of the Republic of Hungary. Among other things the message says:

On behalf of the entire Cambodian people and in my own name, I would like to express to you warmest greetings and congratulations. I firmly believed that the existing relations of friendship and cooperation between our two states and people will further develop for the good mutual understanding and for the benefit of our two peoples. I would like to wish you good health and happiness. May the Hungarian people prosper.

Hun Sen Greets Hungarian Prime Minister

BK0404074291 Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Apr 91

[Text] On the national day of the Republic of Hungary, Comrade Hun Sen, chairman of the State of Cambodia's Council of Ministers, sent a congratulatory message to His Excellency Antall Jozsef, prime minister of the Republic of Hungary.

Among other things the message says:

I would like to express my warmest congratulations to you. I firmly believe that the relations of friendship between our two countries will continue to develop for the benefit of our two peoples. I would like to wish you good health and new successes in implementing the current democratic reforms in Hungary.

Heng Samrin Attends Meeting on Propaganda Work

BK0404092191 Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Apr 91

[Text] On the afternoon of 3 April at the Central Political School, the Central Propaganda and Education Commission closed the meeting to review the 1990 propaganda and education work under the lofty chairmanship of Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the State of Cambodia's Council of State. For two days the meeting energetically discussed the strengths and weaknesses and put forward many questions and proposals aimed at strengthening the propaganda network and at making it more efficient.

Speaking on the occasion, Comrade General Secretary Heng Samrin welcomed the achievements in political and ideological work in 1990 and praised the efforts of cadres of the propaganda network and all levels of the propaganda and education network who have actively contributed to serving the just and correct struggle cause of our people in the new and historic phase. Comrade General Secretary Heng Samrin pointed out a number of major situations, stressing the maneuvers of the genocidal alliance, which is dreaming of toppling the State of Cambodia as a political solution. The comrade stressed that this alliance has exploited the State of Cambodia's goodwill in the search for peace and national reconciliation. This is aimed at reversing the current situation and attempting to bring back to Cambodia the genocidal Pol Pot regime, which our people have already toppled. All this is completely counter to the sacred aspiration of the Cambodian people, who want to live in genuine and durable peace and security.

Comrade General Secretary Heng Samrin also called on members of the audience, upon returning to their localities, to pay attention to carrying out propaganda and education work to get the local people to understand, in-depth, every party-state policy, resolutions, circulars, and the current social and national development. On this basis, the people will further contribute more actively to every task to defend and build the motherland. All levels of propaganda and education cadres should also increase their efficiency in carrying out their tasks aimed at further promoting ideological and political work among the masses and people.

Siem Reap Military Activities Reported

BK0404054091 Phnom Penh Domestic Service in Cambodian 1300 GMT 3 Apr 91

[Text] In the first phase of the 1991 dry season, Siem Reap- Oddar Meanchey Province used combined forces, combined measures, and combined means to counterattack the three reactionary Cambodian groups on various battlefields and scored brilliant victories.

Comrade Colonel (Ung Ienh), chief of the provincial political department, said the party and all levels of the state authorities have constantly paid attention to the task of defending localities. In the first phase of this dry season, the province put out of action 910 enemy soldiers, including 315 killed, 71 taken prisoner, 326 wounded, and 333 surrendered. In these counterattacks, our forces seized 665 assorted weapons, 120 tonnes of assorted ammunition, and a lot of war materiel.

The comrade chief of the provincial political department added that in these results, a number of units were outstanding, such as the 101st, 367th, and 95th regiments; the 1st, 3d, and 96th battalions; provincial units in Chikreng, Sot Nikom, and Siem Reap Districts; as well as a number of individuals.

The party, state authorities, armed forces, and people in the province pledged to contribute to counterattacking the enemy at all times and are continuing to carry out the task of firmly defending their localities and social gains and to produce new results to celebrate the forthcoming traditional new year.

Warships Land SRV Troops in Siege at Kampot

BK0404051791 Hong Kong AFP in English 0454 GMT 4 Apr 91

[By Jean-Claude Chapon]

[Text] Kampot, Cambodia, April 4 (AFP)—Vietnamese troops landed in the southeastern Cambodian Province of Kampot last month in the thick of a Khmer Rouge offensive against this provincial capital, a local official here said.

Most government officials denied that the Vietnamese were here, but one of them acknowledged that they had arrived aboard warships that sailed up the Bay River, which runs through the city of Kampot.

The troops came "to protect the numerous Vietnamese civilians who live here," the source said, adding that they spent "less than two weeks" before returning to Vietnam, which is about 40 kilometers (25 miles) away.

He said the Vietnamese soldiers did not participate in the fighting.

Kampot officials said government troops were currently conducting a vast operation against Khmer Rouge strongholds in the area in a bid to prevent a new offensive by the Beijing-backed group during the mid-April Cambodian new year.

The previous attack here on March 2 by the Khmer Rouge, the backbone of armed resistance against the pro-Vietnamese Cambodian Government, was halted only three kms (two miles) from Kampot, which is situated 140 kms (88 miles) south of Phnom Penh, they said.

That was when Vietnamese soldiers arrived, a provincial official said.

The anti-Phnom Penh coalition has always rejected Hanoi's claim that it withdrew all its troops from Cambodia in September 1989, ending 11 years of military occupation that began when it invaded the country to topple the bloody Khmer Rouge regime.

The Khmer Rouge have long been active in this province, through which an economically vital highway links Phnom Penh to the port of Kompong Som.

Their exact strength is not known, but local officials agree that they number more than 1,000.

"They received reinforcements during the past month, mainly from Koh Kong Province in the west and from the northern regions," Kampot Press Bureau Chief Song Lon said.

"The Khmer Rouge are currently active in four of the province's seven districts," added Khuy Sien, secretary of the provincial party committee, who said they were trying to surround the city.

Government troops have since the beginning of this week launched an assault on some 300 Khmer Rouge troops concentrated around Phnom Vor, in the mountains about 20 kms (13 miles) east of here, he said.

"Our offensive helped relieve pressure on the city, pushing the Khmer Rouge back to the mountains east and north of here," Mr. Khuy Sien said.

Western sources here working with humanitarian organizations said the March 2 attack on Kampot created panic among the local population, with thousands fleeing to seek refuge in Vietnam and Phnom Penh.

One Western source said the Khmer Rouge destroyed the district capital of Dong Tang, about 20 kms (13 miles) east of here, before they were forced out by government troops.

"They burned hundreds of houses and took away whatever they could," said the source who visited Dong Tang a few days after the Khmer Rouge were expelled.

"They took 100 tonnes of rice and mined the warehouses," he said, so that the remaining rice is now unusable.

More SRV Settlers on Kompong Som Coast Noted

BK0304041891 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 2 Apr 91

["News from Koh Kong-Kompong Som Province: The number of Vietnamese nationals is increasing along the coast and on islands in the Kompong Som sea"]

[Excerpt] Recently there have been reports from Koh Kong- Kompong Som Province saying that Vietnamese homes are sprouting up at various ports and along the Koh Kong-Kompong Som coast and at uninhabited places. Various islands such as Kaoh Rung, Kaoh Rung Sanloem, Kaoh Tang, Kaoh Wai, Kaoh Seh, Kaoh Thmei, and so on, which are refuges for our fishermen, have now become Vietnamese villages. As for our people, owners of the water, land, sea, and islands, they have no right to live on the islands or to harvest crops there. They are even prohibited from going to the islands by boat.

The reports also add that a number of Vietnamese settlers along our coast and on islands in Kompong Som have monopolized trading. Our Cambodian people have no right to trade, even on a small scale. The majority of the Vietnamese are fishermen. They use large motor boats, expansive nets, and electricity to catch fish. As for our people, they have no right to fish in their own sea, not even with lines or nets. Those caught doing this will be killed. [passage omitted]

1,000 Enemy Troops Ambushed in Siem Reap

BK0304023091 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 2 Apr 91

[Text] On 21 March, the Vietnamese enemy aggressors and race exterminators and their puppets and lackeys gathered 1,000 of their troops from Chikreng, Puok, and Siem Reap Districts, backed by a tank and all types of artillery pieces, and attempted to take back our liberated villages in Sot Nikom District [Siem Reap Province].

However, they were ambushed for six days by our troops forcing them to retreat in disarray. We killed 20 enemy soldiers and wounded 24 others and destroyed a quantity of assorted war materiel.

Hiding Places of SRV Troops, Arms Listed

BK0104073691 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 31 Mar 91

["News commentary": "The Vietnamese Aggressors Have Busily Continued To Hide Their Troops in Cambodia"]

[Summary] According to a recent report from Route 14 battlefield, on 15 March the Vietnamese aggressors sent 300 troops and a quantity of war materiel to hide in an area south of Pich Nil mountain in Kompong Speu Province.

This area is tightly guarded. Anyone entering this area will be shot to death.

Realizing that they cannot win in the war against the Cambodian national resistance forces and Cambodian people, the Vietnamese aggressors have turned to hiding more troops, weapons, and ammunition for use in waging their protracted war of aggression and genocide against Cambodia. In the southwestern part of Cambodia alone, the Vietnamese aggressors have hidden their troops in various areas, such as on Pich Nil mountain in Kompong Speu Province, M'roam, Kamchay, and (Dek Kaul) mountains in Kampot Province, at Koh Thmei, Prey Chap, and in the forested and mountainous areas in Kompong Som City.

All these activities clearly show that the Vietnamese aggressors do not want to settle the Cambodian problem comprehensively through political means in line with the UN Security Council permanent members' document.

Indonesia

PRC Envoy Speaks on Expansion of Bilateral Ties

BK0404023691 Jakarta Domestic Service in Indonesian 0000 GMT 4 Apr 91

[Text] The PRC wishes to expand bilateral relations with Indonesia in the economic, trade, and technological fields. The PRC wishes to strengthen existing relations with Indonesia based on the Five Principles of Peaceful Coexistence and the Ten Principles of Bandung [Asian-African Conference in 1955].

Qian Yongnian, PRC ambassador to Indonesia, said this at a banquet organized by the Indonesia-PRC Joint Economic Committee in Kuta, Bali, last night. The PRC ambassador said his country is ready to cooperate with Indonesian businessmen and people in general. He is also optimistic that trade relations will continue to flourish.

Aceh 'Rebels' Plan Military Training in Libya

BK0204153291 Hong Kong AFP in English 1229 GMT 2 Apr 91

[Text] Langsa, Indonesia, April 2 (AFP)—Rebels fighting to set up an Islamic state in Indonesia's westernmost province of Aceh planned to send some 800 youths for military training in Libya, a state prosecutor said here Tuesday.

The youths would be trained to take part in the armed conflict against the government, prosecutor Ajat Sudrajat told the first day of the trial of a retired police captain charged with subversion for his alleged involvement with the Aceh Merdeka (Free Aceh) movement. Mr. Sudrajat, who was reading out a report on the pre-trial investigation of defendant Muhamad Saidin, did not say how many men had already been sent to Libya. The prosecutor said the defendant, who could be sentenced to death if found guilty, joined the movement in January 1990.

Indonesian military authorities have blamed the movement for a series of ambushes on troops in the province last year. The movement had plans to attack various isolated police posts and an army armory in Lamgsa in their efforts to obtain arms, Mr. Sudrajat said.

The trials of four other alleged members of the group started in the provincial capital of Banda Aceh last month and that of another member is scheduled to open here soon, officials have said. The government, which had deployed some 6,000 troops in the region in a six-month operation against the group that ended in December, has said it planned to bring a total of 18 members of the armed movement to trial.

'Intellectuals' Launch New Pro-Democracy Movement

BK0404062291 Hong Kong AFP in English 0515 GMT 4 Apr 91

[Text] Jakarta, April 4 (AFP)—A group of 45 scholars and non-government leaders has launched a new movement aimed at bolstering democracy in culturally diverse Indonesia, press reports said Thursday.

Forum Demokrasi (Democratic Forum) "was born out of our concern about political development in the country lately which tends to be divisive, with each societal group thinking in terms of its own interest," spokesman Abdulrahman Wahid was quoted by THE JAKARTA POST daily as saying.

Integrating these groups is best done by enhancing democracy, said Mr. Wahid, chairman of Nahdlatul Ulama, Indonesia's largest Muslim organisation. The forum hoped differences in origin, ethnicity, religion, language and cultural backgrounds would enrich the nation and promote unity instead of weakening it, he told reporters Wednesday.

Indonesia's 180 million population is predominantly Muslim but the Constitution guarantees equal rights to followers of other faiths. The Indonesian archipelago has more than 200 ethnic and tribal groups, each with its own language or dialect, and a small but economically powerful Chinese minority. Analysts said the forum is not expected to have any immediate impact on the political life in Indonesia, which faces an election next year.

Two previous pro-democracy movements, the foundation for constitutional awareness set up in 1978 and the group of 50 dissident organisation two years later, somewhat dented President Suharto's rule. They were supported by a number of former government and military leaders. Both groups have been virtually inactive in recent years.

Mr. Wahid said democracy in Indonesia so far has been limited to mere observance of procedures such as the electoral process. "But the spirit of democracy is still missing," he said. He said there is also a gap in the perception of democracy between those in power and those outside, resulting in a communication breakdown. He also expressed concern that the law is not applied equally to all and that there are still impediments to free speech and freedom of association.

The forum was launched after a meeting in the nearby Cisarua mountain resort last month and is currently drafting its program, Mr. Wahid said. Asked if these include members of the armed forces, the SUARA KARYA daily quoted Mr. Wahid as saying: "Usually discussing democracy with a military officer is a problem. He has to ask permission from his superior first."

Among those who took part in the March 17 meeting were leading intellectuals Rahman Tolleng, Y.B. Mangunwijaya, Max Siberu, Frans Magnis Suseno, Arief Budiman and Chris Siner Key Timu, who is a member of the Group of 50.

Laos

Cambodia's Heng Samrin Addresses Party Congress

BK0304125791 Vientiane Domestic Service in Lao 0500 GMT 28 Mar 91

[Speech by Heng Samrin, general secretary of Kampuchean People's Revolutionary Party Central Committee and head of the Cambodian party delegation, delivered at the Fifth Congress of the Lao People's Revolutionary Party in Vientiane on 27 March—read by announcer]

[Text] Amid an atmosphere of historic significance, the Kampuchean People's Revolutionary Party [KPRP] delegation is very pleased and happy to have the honor of attending the congress of the fraternal Lao People's Revolutionary Party [LPRP]. On this occasion, on behalf of the KPRP and the Cambodian people throughout the country, I would like to convey warm friendship and best wishes to the LPRP, party members, the working class, and all multiethnic Lao people. We wish the LPRP congress glorious success.

Respected and beloved comrades, pursuing the traditions of the Indochinese Communist Party, the LPRP has led the Lao people to rise up and struggle heroically. In the struggle, the Lao people have overcome various difficulties and sacrificed numerous lives to counter all enemies, thereby winning the great, renowned, and historic victory on 2 December 1975. This victory has brought about a complete end to the feudalist, old, and neocolonialist regime which had put the dominating yoke of oppression and intimidation on the Lao people for centuries.

Over the past 15 years of building the popular democratic system, defending and building the country, and achieving social progress, the heroic Lao people have recorded praiseworthy achievements and victories in all fields. Those achievements and victories have vigorously contributed to the cause of struggle of the three Indochinese peoples for peace, stability, and cooperation in the region and the world. Our KPRP would like to sincerely praise and hail the clear-sightedness of the fraternal LPRP which has creatively applied Marxism-Leninism to the practical conditions of its country and of the world. The LPRP has clearly put forth its strategy and tactics in directing the revolution, thus broadly creating the strength of internal and international solidarity to defend its own country. I highly appraise the great achievements that the fraternal LPRP has won in carrying out the reform policy as adopted by the Fourth Congress.

Though there were many difficulties and trials, the Lao People's Democratic Republic [LPDR] has securely safeguarded its sacred independence, sovereignty, and territorial integrity. It has checked schemes of the enemies who have aimed to overthrow the new system, thereby guaranteeing political stability, tranquillity, and social order, and creating conditions for economic development. Following the success, the people's living conditions have been improved, the administrations have been consolidated, and the people's democratic rights and freedoms have been raised step by step.

Respected and beloved comrades, your Fifth Congress is held amid an atmosphere in which the world and regional situations have rapidly changed. The situation of the Lao revolution has also changed. The Cambodian and the Vietnamese revolutions have now reached a new turning point of struggle along the path leading to the final goals which have already been chosen by the people of each country. The LPRP has overcome the trials and scored experiences in leading the struggle and surmounting difficulties and obstacles in the past. We are firmly convinced that with the correct and clear- sighted leadership of the LPRP, with the success in implementing the foreign policy and the policy of broadening the economy as adopted by the Fourth LPRP Congress, and under the beacon of the resolution of this Fifth Congress, the heroic Lao people, who have maintained the traditions of the resolute and undaunted struggle, industriousness, perseverance, and creativeness, will certainly achieve glorious success and victory in their cause of struggle.

Respected and beloved comrades, coming from the same source and struggling together against the common enemies, the Cambodian revolution, like the Lao revolution, went through continual struggle before winning the glorious victory in 1975, thereby creating the special traditional solidarity and mutual assistance among the Cambodian, Lao, and Vietnamese peoples. The victory has also resulted from the great assistance rendered by the parties, governments, and peoples of the Soviet Union and China as well as progressive people in the world. The party, government, and people of Cambodia have always remembered and will never forget that assistance. Regrettably, from 1975 to 1979 great disasters struck the party, people, and society of the Cambodian nation. However, the KPRP later drew on these disasters for experience. The disasters demanded that our party adhere to Marxism-Leninism, accept it as our compass, and apply it to the reality of the country's society in order to create conditions for the stabilization and normalization of social life of the entire people. Since 1979, based on the specific points of the Cambodian revolution and the reality of the world situation, the KPRP has pursued an open-door policy in many aspects to comprehensively improve the living standard of the whole society. It has also sincerely implemented the national reconciliation policy and stepped up the implementation of leniency with the intention of putting an end to the war at an early date and rallying forces to build the country. These policies have gained support from the people and various countries throughout the world. They have thus brought about the creation of an overall force for the country to guarantee the fulfillment of all revolutionary tasks.

Acting in this direction, we will build Cambodia into an independent, sovereign, peaceful, neutral, and nonaligned country which maintains good relations with neighboring countries in the region as well as with all other countries in the world. In this sense, the State of Cambodia wishes to maintain relations with the party, government, and people of China on the basis of the good and long-standing friendship as in the past. With this good wish, the State of Cambodia would like to once again reiterate its profound gratitude to various countries in the world for their efforts and assistance to settle the Cambodian problem peacefully.

Particularly, for its part, the State of Cambodia pledges to do all it can and is ready to further discuss various remaining points in the draft agreement of 26 November 1990 in order to achieve a political settlement of the problem. This settlement will thus ensure the nonrecurrence of the events of 1975-1979. It will also ensure social stability so as to create favorable conditions for the elections to guarantee the independence, sovereignty, and right to self-determination of the people in conformity with the principles of the UN charters.

This is the genuine, constructive stand of the State of Cambodia in the search for a correct, just, and reasonable settlement of the Cambodian problem through political means without any threat or pressure, and on the basis of the reality in the present political and military situation and the respect for the Cambodian people's rights to self-determination.

In conclusion, I wish the fraternal Lao party and people new, still greater success in defending and building the country in advance to achieve prosperity and happiness. I wish all comrade members of foreign delegations success in carrying out your noble revolutionary tasks.

Long live the majestic LPRP!

Kaysone Receives CPSU, CPC Delegations

BK0404055991 Vientiane Domestic Service in Lao 1400 GMT 1 Apr 91

[Text] At the party and government guest house, Comrade Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party, respectively received courtesy calls from the CPSU delegation led by Comrade Burokevicius, member of the CPSU Central Committee Politburo and first secretary of the party Central Committee of the Lithuanian SSR, and the CPC delegation led by Comrade Pu Chaozhu, member of the CPC Central Committee, on the evening of 30 March.

Accompanying the party chairman to receive the guests were Comrade Phoun Sipaseut, member of the Political Bureau; Comrade Maisouk Saisompheng, member of the party Central Committee; and Comrade Thongloun Sisoulit, member of the party Central Committee.

The meetings proceded in a warm and comradely atmosphere. Comrade Kaysone Phomvihan deeply thanked the heads of the two delegations for the friendship, fraternal and comradely solidarity, and valuable support they had conveyed from their parties to the LPRP and the delegates to the Fifth LPRP Congress. They also exchanged views on the world and regional situation and joint efforts to solve all existing problems.

The host and his guests also discussed and exchanged views on the task of restructuring in each country and reaffirmed their mutual support and cooperation in different fields.

On 31 March and 1 April, Comrade Burokevicius and Comrade Pu Chaozhu and their delegations left Vientiane for a visit to Luang Prabang Province and were warmly received by the hosts concerned.

CPSU Delegation Departs 3 Apr

BK0304131891 Vientiane Domestic Service in Lao 1200 GMT 3 Apr 91

[Text] This afternoon the CPSU delegation led by Comrade Burokevicius, Politburo member of the CPSU Central Committee and first secretary of the Communist Party Central Committee of the Lithuanian SSR, left Vientiane for home after attending the Fifth Congress of the Lao People's Revolutionary Party [LPRP].

During its visit to Laos, the delegation paid a courtesy call on Comrade Kaysone Phomvihan, chairman of the LPRP, and laid a wreath at the monument of unknown combatants in Vientiane. It also visited some production and cultural establishments in Luang Prabang Province.

The CPSU delegation was seen off at the airport by Comrade Phoun Sipaseut, Political Bureau member of the LPRP Central Committee, vice chairman of the Council of Ministers, and minister of foreign affairs, along with a number of high-ranking cadres concerned. Also on hand to see the delegation off at the airport was Comrade Georgiy Rudov, ambassador extraordinary and plenipotentiary of the Soviet Union to Laos.

Article Hails Improvement in Ties With Thailand

BK0404121191 Vientiane Domestic Service in Lao 0500 GMT 28 Mar 91

[Unattributed article: "Lao-Thai Relations in a New Posture"]

[Text] Respected listeners, 3 months ago no one would have thought that in 1991 Lao-Thai relations would have made as much progress as they have, though the Government of the Lao People's Democratic Republic [LPDR] and the government of then Prime Minister General Chatchai Chunhawan tried very hard to resolve the problems between the two countries. However, the stalemate still prevailed, with one meeting after another and one survey of disputed areas after another being conducted. The results of such encounters were simply documented on paper without further action being taken. In the meantime, the Lao and Thai peoples were beginning to gradually lose hope of reaching a settlement of their mutual problems. They did not even know when the two countries would resume fighting again as they did two times before in the areas of three villages and [word indistinct].

Presumably, the reason the situation developed along such an unexpected course was because the data collected by the two sides up to then was sufficient for the leaders of both sides to make final decisions—or was it because certain persons with enough clout made decisions to resolve the problems as soon as possible so as to prevent them from worsening?

General Suchinda Khraprayun, Army commander in chief and deputy chairman of the National Peacekeeping Council of Thailand, paid a visit to Laos from 11 to 12 March and met with many Lao leaders. Even though Gen Suchinda's meetings with the Lao leaders were very short, their outcomes were very meaningful. At the meetings, the two sides reached an agreement on several issues, for example the rearrangement of border transit transport services acceptable to both sides, the shipment of Lao agricultural goods into Thailand without import tax, the suppression of Lao exiles illegally carrying out activities in Thailand, the question of Lao refugees, and the withdrawal of the two sides' troops from disputed border areas in Sayaboury Province. The outcome of the talks greatly satisfied both the Lao and Thai peoples, especially the decision on the troop withdrawal, because the move helped remove mutual suspicion between the two countries.

It is apparent that so far the above-mentioned decisions made by the two sides—some of which have yet to be implemented—seem to conform to the political goodwill reached earlier by the two sides. It is only natural that since the two countries share a long stretch of common border, many incidents may occur either as a result of the effects of natural phenomena or of the acts committed by certain Lao and Thai citizens who fail to understand the facts about the situation along the border, especially on some islets in the Mekong River.

To help both Lao and Thai peoples living along the Mekong River understand the truth and turn the Mekong River along the Lao-Thai border into a river of genuine peace and friendship, Article 3 of the Franco-Siamese Treaty signed on 25 August 1926 may offer some clarity.

Article 3 of the treaty says: To prevent all arguments on the border, with the Mekong River serving as the borderline between Siam [Thailand] and Indochina, the signatories unanimously agreed that an on-the-spot agreement must be reached to define the borderline.

The definition of the Mekong River borderline is clearly spelled out as follows:

1. In sections where the Mekong River is not divided by its currents into many channels by islets, the thalweg of the river is the border between Siam and Indochina.

2. In sections where the Mekong River is divided into many channels with islets that are separated from the Siamese bank at any time of the year, the border is the thalweg of the part of the river that is closest to the Siamese bank.

3. In points where sand dunes emerge or where the dry-up of the thalweg of the river channel that is closest to and almost always connected with the Siamese bank occurs, the islets which were previously separated from the Siamese bank still remain permanently connected to that bank. In accordance with this principle, the border should run along the thalweg of the channel of the river which is buried by sand or dries up.

However, the permanent Mekong River Committee will be summoned to study and decide the conditions when each such case emerges. The committee is empowered to make a proposal to move the borderline to the previous thalweg that is closest to the river. At the same time, a decision must be made with regard to the islets in the river, which will be specified in the new chapter.

Islets which are permanently connected to Siamese territory are: Don Khieu Islet; Don Khieu Noi Islet; Don Gnat Islet; Don Bang Pha-eng Islet; the beaches of Pe, Veun, and Koum; Don Kengkok Islet; Din Neua Islet; and Don Som-O Islet. A number of these islets are part of Siamese territory. Some other islets that were formed by silt brought by the river should still remain with the Lao side.

We think this article will be a reminder for each side when problems arise along the Mekong River on portions of the border between Laos and Thailand.

Philippines

Manglapus: U.S. Has Not Raised Offer on Bases

HK0404052591 Manila PHILIPPINE DAILY INQUIRER in English 4 Apr 91 pp 1, 10

[Text] The United States has not raised its offer of $320 million a year for continued use of its military bases for 10 more years, Foreign Secretary Raul Manglapus said yesterday.

Belying the claim made by Finance Secretary Jesus Estanislao of a $1-billion compensation package, Manglapus said U.S. officials have not changed the "basic appropriated portion" of their proposal, forcing Philippine officials to look for "creative package" to increase the compensation.

Estanislao said Monday the U.S. was willing to give between $700 million and $1 billion yearly for the use of the bases, including trade concessions, debt reduction and soft loans from international financial institutions. Estanislao was sent by President Aquino to Washington at the suggestion of the Philippine panel in the bases negotiations to explore options for increasing the compensation.

Manglapus said Estanislao was authorized to propose alternative packages, but not to conclude a new bases agreement. "We asked him to go to Washington to look into the technical details of the compensation package. Let me say that he did not come up with a finished package but only with suggestions," Manglapus said.

In related developments: Defense Secretary Fidel Ramos told Japanese politicians yesterday the U.S. military presence in the Philippines would be cut to about one-third its current size. "I expect all (U.S.) combat units will leave the Philippines and the presence of U.S. troops will be considerably smaller than it is now," Ramos told parliamentary members of the ruling Liberal Democratic Party in Tokyo. Ramos said a new treaty would be effective only until 1998, when the Philippines celebrates the centennial of its independence from Spain.

Chief U.S. negotiator Richard Armitage has postponed his trip to Manila because there is still no agreement on the compensation and the duration of a new bases agreement. U.S. Embassy spokesman Stanley Schrager said Armitage did not want to continue "detailed negotiations, but rather to conclude and initial an agreement" when he comes to the Philippines later this month. "We need more inputs from the Philippine side. So the meeting has been reset to later this month," Schrager said.

Manglapus said several committees at the finance department have been working on the Estanislao formula for a bases compensation package, particularly a bond float to reduce the country's foreign debt. The Philippine panel, has been studying Estanislao's proposal to tap other sources for the bond float, instead of using the $400-million "hard component" of the $825-million compensation package it had proposed. This could include soft loans from the International Development Association (IDA) which are extended only to the world's poorest nations, Manglapus said.

"These loans are made available by this branch of World Bank (IDA) only to countries with low levels of development, but because of the leverage that we have in the negotiations, they might be made available (to the Philippines)," he said. Manglapus said the bonds will be used either to retire foreign or domestic debt to enable the government to use its resources on other projects and activities.

Government Seeking New Package

HK0304115991 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 2 Apr 91

[Text] The Departments of Foreign Affairs and Finance are now closely coordinating in an effort to come up with a firm system for the compensation of the military bases in the country.

Foreign Secretary Raul Manglapus said there are various proposals about this. According to him, the negotiating panel proposed more than $800 million, while Finance Secretary Jesus Estanislao proposed only $700 million.

[Begin Manglapus recording in English] The proposals have nothing to do with the hard portion of our package which will be $400 million. That would be the portion that would have to be appropriated by the United States Congress. If you recall the package that we presented was $825 million, $400 million in compensation to be appropriated by the Congress of the United States and $425 million in what is usually referred to as the softer part of the package. [end recording]

Aquino Hopeful for Agreement on U.S. Bases

HK0404104391 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 4 Apr 91

[Text] President Aquino is hopeful that an agreement will be reached on the retention of U.S. military bases in the Philippines. The two sides are expected to resume negotiations next week.

The president also said that any agreement concluded will be acceptable to the Filipino nation.

Here is Tanny Rodriguez with the details:

[Begin recording] Among the issues to be ironed out by the two sides are: The compensation for the bases, length of stay of U.S. military installations in the country amid a gradual phaseout, and other bilateral economic and trade issues.

The chief executive also said she hopes that the draft treaty will be acceptable to the Senate which is charged with ratification of the treaty.

This is Tanny Rodriguez, Philippine Broadcasting Service, Malacanang. [end recording]

U.S. To Provide Squadron of 'Assault Planes'

HK0404091291 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 4 Apr 91

[Text] The Philippine Air Force is due to receive this year a squadron of assault planes from the United States in order to boost the counterinsurgency campaign of the Armed Forces of the Philippines. According to Air Force authorities, 18 out of 21 Grumman or B-10 assault planes, which were purposely built for guerrilla warfare, are due to be given to the military before the end of the year. Air Force spokesman Colonel Avelino Aviol said that the fighter planes will be received through the foreign military sales component under the United States bases compensation package. It can be recalled that Washington still owes the Philippines about 120 million pesos from the previous year's compensation package, and they have promised to comply with this on a best- effort basis this year.

Aid, Debt Relief on Agenda for Kaifu's May Visit

OW0104112891 Tokyo KYODO in English 1116 GMT 1 Apr 91

[Text] Manila, April 1 KYODO—Japanese Prime Minister Toshiki Kaifu is expected to go ahead with his postponed visit to Manila sometime in May where discussions are likely to focus on continued assistance to the Philippines, officials said Monday.

Finance Secretary Jesus Estanislao, who recently returned from Tokyo, told President Corazon Aquino in a memorandum obtained by KYODO NEWS SERVICE that "in our visit to the Ministry of Finance of Japan, we raised the possible scene for Prime Minister Kaifu's visit to Manila as continuity, commitment, and cooperation." Estanislao said among the possible talking points during the visit is continued assistance to the Philippines to ensure an adequate flow of funds from multilateral and bilateral programs, and commercial banks.

Also to be discussed are commitment to assisting the Philippines in obtaining maximum foreign debt relief, cooperation within a broad framework to ensure reconstruction and development of the country, and maintaining peace and stability in the region, the finance secretary suggested.

Kaifu's visit was originally set for January but was put off because of the Persian Gulf war. Japanese Government officials said they have been considering to revive the canceled visit around May, but the government has not formally announced Kaifu's visit to Southeast Asian nations.

Aquino To Seek Japan's Support

HK0304054191 Manila THE MANILA CHRONICLE in English 3 Apr 91 pp 1, 10

[By Lito Zulueta and Redempto Anda]

[Text] President Aquino will ask Japan to support the Philippines' bid to obtain "maximum debt relief" from its official and commercial creditors when Japanese Prime Minister Toshiki Kaifu visits Manila next month, Malacanang officials said yesterday.

Maximum debt relief, however, is not expected to include a condonation of existing debts as what Poland was granted last month. Japan, the country's biggest official creditor and donor, had warned that it would stop extending loans to the Philippines if it pursues discussions on a debt condonation.

The talking points of the Aquino-Kaifu meeting in Manila had already been sugested by Finance Secretary Jesus Estanislao when he called on Japan's Ministry of Finance during his Tokyo mission last month, officials said.

In a memorandum to Mrs. Aquino, Estanislao said he proposed a possible theme for the Kaifu visit: "continuity, commitment and cooperation." The finance chief said the Philippines would seek Japan's continued assistance to ensure sufficient financing from multilateral and bilateral sources and the foreign commercial banks and "cooperation for Philippine reconstruction" and development as well as regional peace and security.

Kaifu was originally scheduled to visit Manila as part of a tour of key Asian capitals last December, but this was postponed due to the crisis in the Persian Gulf at the time. Plans for the official visit would be finalized after the state visit on April 28 of Indian President Ramaswamy Vendakatamar.

Japanese support will be sought particularly for the forthcoming talks with official creditors informally grouped under the Paris Club. The negotiations next month come after Poland recently had half of its $18-billion foreign debt written off by the Paris Club prompting some Philippine officials to seek a similar treatment. However, Estanislao said the Poland-style condenation would not apply to the Philippines which owes most of its debts to foreign commercial banks.

But congressmen-members of the Joint Executive-Legislative Debt Council said they will ask the government debt negotiators to seek similar concessions in the coming Paris Club talks. "We will see if we can adopt the Polish formula. If it is possible to work to our advantage, then we should go for it," Rep. Margarito Teves told reporters.

Teves, chairman of the House committee on economic affairs, cautioned that it may not be easy for the country to get a similar deal as Poland. With the country's economic blueprint geared toward reforms, Teves said, the more immediate need is sustaining its cash flow. "Debt condonation will not generate immediate cash for the economy, but it is still the bottomline," he said.

While saying that asking for debt condonation by invoking the Polish formula was "worth trying," Teves expressed doubt about its timing. "On hindsight, we should have sought for condonation in 1986 (after the Edsa [Epifanio de los Santos Avenue] revolution). In some ways, we seem to have forfeited that opportunity," he said.

If the government is bent in pursuing condonation, Teves said, "changes" will have to be made in the composition of the debt panel. He proposed the inclusion of former economic planning secretary Solita Monsod in the negotiating team, saying that a full-time negotiator should lead the panel.

Monsod, who resigned due to disagreements with other economic officials during the early years of the Aquino administration, is one of the leading proponents of debt condonation. "She can play hard ball, but she must work as part of the team if she joins the negotiating panel," Teves said.

Soviet Weakness No Guarantee of Asian Security

HK0304051791 Manila PHILIPPINE DAILY INQUIRER in English 3 Apr 91 p 7

[Text] Foreign Secretary Raul Manglapus said a weakening of the Soviet Union as a superpower would not necessarily mean the end of security worries for small Southeast Asian nations.

Manglapus suggested in a television interview Monday night that other powers could rise if Soviet influence in the region declined. He said the Philippines was organizing a regional security conference in Manila in June to be attended by members of the Association of Southeast Asian Nations (ASEAN) and other countries including the United States, the Soviet Union, Japan and China.

Manglapus referred to what he said were perceptions by some political scientists that the Soviet Union might be breaking up as the second superpower in the region. "Now we're beginning to see that just because there's no more of this second superpower doesn't mean that, therefore, we need not worry about security," Manglapus said.

"There are other powers, middle powers that have appeared. One of them has just been defeated in the Middle East." He added: "We don't need a prospective enemy to talk about friendship and security and mutual understanding in the region."

Manglapus had said the June conference was also aimed at building a consensus about what they wanted to do about the security of their region. Diplomats had said the June conference was also aimed at building a consensus on the presence of U.S. military bases in the Philippines. Manila and Washington are completing negotiations on a new treaty to govern future U.S. use of Clark air base and Subic naval base. Manglapus said the government would launch a campaign to secure public approval of the treaty, which is expected to face stiff opposition in the Senate.

A dozen members of the 23-member Senate, which must ratify any new bases pact, have opposed Manila's proposal to allow the bases to stay for seven more years. Washington wants at least a 10-year agreement. "Once the treaty is signed, we're going to have to defend what we signed," Manglapus said. "The executive department of the government will have to stand up and defend it."

NPA Spokesman Predicts Violence in 1992 Elections

HK0104114091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 1 Apr 91

[Text] The New People's Army [NPA] is said to support candidates whose platform is pro-people and anti-American bases during the coming 1992 elections.

It was stated by Gregorio Rosal alias Ka [Comrade] Roger, spokesman of the Milito Glor command of the NPA in Southern Tagalog, that they do not believe in the election but they can whisper to the people regarding who they should vote for. In an interview with Deo Macalma in the Sierra Madre mountains, here is Ka Roger's explanation:

[Begin recording] If what he [a candidate] is fighting for is the people's cause, we will really whisper, especially if he will stand against the maintainance of any foreign influence in our country. He will already have the advantage over those candidates who are in favor of the retention. If by his actions, he manifests an inclination for the people's welfare, we can discuss whether or not we can help and if we can whisper. [end recording]

Meanwhile, Ka Roger said that the coming elections will be violent because of the private armies of the politicians.

[Begin Ka Roger recording] We do not believe that the election can solve our people's problems because any kind of election under a rotten system of government like what we have now, will be marred with dishonesty, harassment, and vote buying. The so-called guns, goons, and golds will still prevail. Now, aside from the guns, goons, and golds, we have the computer. [end recording]

Comelec Chairman Concerned Over Election Security

HK0404093491 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 4 Apr 91

[Text] Haydee Yorac, acting chairman of the Commission on Elections [Comelec] expressed fears about the peace and order situation in the coming 1992 elections. Yorac said that in the midst of assurances that the Comelec will be an independent body, the people should also ensure the independence of the Armed Forces of the Philippines [AFP]. Yorac explained that the chief of staff of the AFP is the one dictating what the soldiers should do during the election and, therefore, should remain politically nonpartisan. The statement by Yorac was in reaction to the impending revamp within the AFP next week as a result of the retirement of Chief of Staff General Rodolfo Biazon. According to Yorac, the people should keep close watch on this because it will have a great effect on the coming elections.

NP Leaders Pledge To Support Party Nominee

HK0204054491 Manila PHILIPPINE DAILY INQUIRER in English 2 Apr 91 p 8

[By Tony Bergonia]

[Text] Leaders of the opposition Nacionalista Party [NP] yesterday promised to support whoever the party would nominate as presidential candidate in 1992.

But they could not easily dismiss talk that the tug-of-war between Vice President Salvador Laurel and opposition Sen. Juan Ponce Enrile, two NP stalwarts for the party nomination, is ripping the party apart.

"The so-called rift is only in the minds of those in the administration. We're here to show them that we're more democratic than others. Whoever wins in the convention, we'll support him," said Enrile, party secretary general, after he and other party leaders administered the party's oath to party recruits.

"There is no rift at all. We're working together. We're not like other parties that are fragmented," said Laurel, party president.

But Enrile admitted former Sen. Arturo Tolentino, a member of the party's elite central committee, has been asked to help iron out some "problems" inside the NP. Asked what the problems were, Enrile said: "I mean the selection process. If we could devise a mechanism short of a convention."

Enrile and Laurel are locked in a struggle for the party nomination, a contest which threatens fragile alliances built among former Marcos men and leaders who used to oppose the dictatorship of the late president. Party membeers are said to be still indecisive who to support for the nomination, but sources said Enrile has an edge over Laurel, who abandoned his UNIDO [United Nationalist Democratic Organization] party shortly before he joined the NP.

Laurel's UNIDO was instrumental in bringing about the downfall of Marcos, while Enrile is credited with having dealt together with some Marcos generals, the blow which toppled the Marcos regime.

Both Laurel and Enrile denied ever seeking the assistance of former first lady Imelda Marcos for their 1992 campaign. "They twisted the facts," said Laurel of reports that he saw the former first lady to seek her help for the 1992 campaign. "Whoever said I have sought the assistance of Mrs. Marcos is not telling the truth. I did not even authorize anyone to do so," said Enrile.

Presidential Hopefuls Strengthen Political Fences

HK0104052491 Manila MANILA BULLETIN in English 1 Apr 91 pp 1, 13

[By Rod L. Villa]

[Text] House Speaker Ramon Mitra Jr. and Defense Secretary Fidel Ramos fortified their political fences through the Holy Week in their tightening match for the nomination as standard bearer of the Laban ng Demokratikong Pilipino (LDP) [Struggle of Philippine Democrats] in the 1992 national elections.

Mitra communed with his constituents in Palawan and held caucuses with LDP top leaders while Ramos visited civic clubs and barangays. He used to frequent military camps.

In Tanauan, Batangas, local leaders called for a "political justice" of its "favorite son," Vice President Salvador Laurel, who they claimed has long been deprived of and must be bestowed the presidency in 1992. Laurel is contested for presidential nomination in the Nacionalista Party (NP) by Sen. Juan Ponce Enrile. Enrile has been busy touring the provinces.

Meanwhile, managers of the "364 Club," based at the Hotel Intercontinental Manila in Makati, are preparing for "The Great Debate" which fields presidential hopefuls. "365" is a daily breakfast forum of politicians, businessmen, journalists, diplomats, in and out of government, local and foreign.

"The Big Confrontation," scheduled to be held in two consecutive dinners, on the other hand, lines up Senate President Jovito R. Salonga, leading the Liberal Party (LP); Sen, Aquilino Pimentel, PDP-Laban; businessman Eduardo "Danding" Cojunagco; Miriam Defensor Santiago; Sen. Joseph "Erap" Estrada; and Executive Secretary Oscar Orbos.

The "365" leaders has deferred the extension of invitation to President Aquino in the face of her repeated insistence to serve as "the historic transition president" from the dictatorial regime to a strong succeeding democratic administration emerging from the national elections in May, 1992. At the daily breakfast gathering, some members have "bet my last shirt" that the President will stand firm by her word not to seek a reelection.

Rep. Hernando Perez (Batangas), LDP spokesman, said Mitra was in progress of strengthening his firm hold on the party even as party members expressed high hopes that the speaker will be the President's choice. Perez said the speaker has "whipped up" the loyalty of sone 205 House members through "direct contact" with them.

Backstopping Mitra right in the family circle of President Aquino are her brother, Rep. Jose Cojuangco Jr. (Tarlac), LDP secretary-general; and sister-in-law Assistant Majority Floor Leader Teresa Aquino-Oreta (Malabon-Navotas). Oreta has confronted Assistant Majority Floor leader James Chiongbian (South Cotabato), with the question: "Kanino ka ba, Mitra Ramos?" (Who are you for, Mitra or Ramos?

Chiongbian affirmed "Kay Mitra ako" (I'm for Mitra), making clear his position in the presidential derby culminating in the LDP convention next November. Perez cites this as typical loyalty of a number of House leaders.

Pro-Mitra pillars bank on this inner-party strength in overcoming President Aquino's "lack of vibrations" with Mitra, admitting she has turned to "stars" within her Cabinet for her ultimate choice for her successor.

Perez said that Mitra supporters were also "strengthening their line" with the Catholic heirarchy, conceding this as the historic focal point of a new potent political force whose support may not be blessed on Ramos because he is a Protestant. Salonga too, is a Protestant.

"Mitra and Ramos must face the reality of the crucial Catholic factor, personified by the political Cardinal Sin, which converted every Catholic pulpit into a political platform, and found its force in the historic EDSA [Epifanio de los Santos Avenue] People Power revolution that ousted Marcos," said Blas F. Ople, member of the Constitutional Commission of 1987, and "Bulletin" columnist, a Pariah talking to a round-table audience of the "365 Club." But members of the United People Power Movement, headed by Ricardo R. "RR" de la Cruz, are pushing for Ramos candidacy.

Ramos, in turn, was busily campaigning at the barangay level, concentrating on the Peace and Order Councils as the springboard for a vibrant assault to win the mass base. He has constantly made clear his reliance on ultimate decisions of President Aquino for his future political plans, even as he and other Cabinet members have joined the LDP.

Perez, voicing apprehensions of the LDP, said the arrival of former First Lady Imelda R. Marcos before the elections will drastically alter the political scenario, for a strong fight against administration candidates. But LDP leaders were quick to say it will be the next administration that will decide Imelda's return.

Marines Ordered To 'Destroy' Kidnap Syndicate

HK0404054591 Manila PHILIPPINE DAILY INQUIRER in English 4 Apr 91 pp 1, 10

[By Ali Macabalang and Fe B. Zamora]

[Text] Cotabato City—A battalion of combat-tested Marines arrived here yesterday with orders to search and neutralize—"or destroy, if necessary"—a kidnap syndicate that has preyed freely on terrified residents the past several months.

Members of the gang, who are still holding four of the seven victims kidnapped in the past two weeks, include about 50 Muslim separatist rebels and 22 military and local policemen.

Gen. Rodolfo G. Biazon, Armed Forces chief of staff, who flew in yesterday to personally direct military operations against the gang, told the Marines: "Your first objective is to stop the goddamn kidnappings." He also balwed out Cotabato military and police commanders for the "premature disclosure" of a report linking 22 soldiers to the gang.

"Your pronouncement has muddled the issue," Biazon fumed during a military briefing. "Instead of on the kidnappers, the focus is now on the military."

Executive Secretary Oscar M. Orbos, who also arrived here yesterday, assured residents that normalcy would be restored in the city and Maguindanao province "within a week." Orbos was sent by President Aquino to oversee the government's efforts to ease the tension arising from the unchecked series of kidnappings for ransom since September.

Orbos, Biazon, Maj. Gen. Gumercindo Yap, Southern Command chief, Philippine National Police Director General Cesar P. Nazareno and other area commanders immediately huddled to plot search-and-destroy strategies against the kidnappers.

Military operations might be stalled, however. Bishop Philip Smith of the Cotabato archdiocese asked authorities to delay their plans while emissaries tried to talk to the kidnappers about the abduction of Fr. Yves Caroff, a longtime Cotabato highland missionary.

Orbos said they may give in to Smith's request. The prelate also confirmed that a P [Philippine peso] 10-million ransom has been asked for Caroff's release but this wil be turned down "to discourage future abductions of lay leaders." Orbos said the archdiocese has also asked the military not to start any rescue operation for Caroff, 66, who was seized March 27.

Biazon said the 2nd Marine Battalion was flown in from Metro Manila. The Marines were pulled out of their coup defense duties, he said. "We have a special situation that needs special attention," he told them.

Meanwhile, the number of hostages held by the kidnap gang has dropped to four with the recent release of two victims. Authorities said Robinson Degala, 22, son of a meat dealer, was released Tuesday after three days in captivity. Snatched last Sunday, he was the latest of a total of 25 victims abducted here since January.

A kidnap band under a certain Kumander Jinggoy freed Degala after Mayor Tocao Mastura of Sultan Kudarat, Maguindanao threatened to take hostage Kumander Jinggoy's wife and father-in-law.

Roberto Padlan, 50, owner of a Cotabato machine shop, was also released last week after his family paid an undetermined amount in ransom to another kidnap group. Padlan's 81-year-old father Emilio was freed four days ago after a P300,000 ransom was paid but died of a heart attack two days after.

Aside from Father Caroff, the remaining hostages are Professors Marino Ridao, Juan Sarabia and Arnel Toledo of the Mindanao State University in Maguindanao, who were abducted together on March 18.

Editorial on Military Link to Cotabato Kidnappers

HK0304051591 Manila PHILIPPINE DAILY INQUIRER in English 3 Apr 91 p 4

[Editorial: "Military Link of Cotabato Kidnappers Must Be Cut"]

[Text] What's really going on in Cotabato? A spate of kidnappings since January has thrown the province into chaos and terrorized its residents, while wealthy businessmen—the primary target of the brazen kidnappings for ransom—have fled the city.

The most recent abduction of Fr. Yves Caroff has also dragged the Catholic Church into the mess. But the most disturbing development yet is the reported link between 22 military men and police officers and the kidnap gang which has abducted at least 21 persons since January.

There is also little comfort in Defense Secretary Fidel Ramos's seeming haste in absolving the military and police suspects implicated by Maj. Gen. Gumercindo Yap, Southern Command chief, in the kidnappings. Yap said the 22 suspects were under technical arrest pending further investigation, but Ramos has reportedly denied this.

The apparent confusion and contradiction between two military leaders who are supposed to be on top of the situation gives onlookers added cause for apprehension. Who's in charge here? If the military top brass who have access to sensitive information cannot get their facts straight, what then can we expect?

While the Defense Secretary has increased the reward from P [Philippine peso] 100,000 to P500,000 for the capture of the reported kidnap gang leader, Abogado Mubarak, it would have been more reassuring if he had vowed to undertake a no-nonsense investigation of all leads in the case before dismissing the military's involvement outright, like a waffling politician might, to avoid antagonizing any sector of would-be voters.

While commendable, President Aquino's order for the military to beef up by 500 the government troops in Cotabato to lessen the tension in the area, also brings with it the recollections of Marag Valley where soldiers virtually overran the place and shot anyone in sight. Very strict guidelines based on an abiding respect for human rights must therefore accompany the military's mission in the province.

More than the military solution, however, the political context must also be looked into. Rep. Michael Mastura has already suggested a possible political cause for the kidnappings, which has so far raised P12 million. Is the fund-raising a prelude to another coup attempt by rightist rebel soldiers? Who were the 22 military suspects linked to the kidnap gang and what were their affiliations in previous coup attempts? Could the RAM [Reform the Armed Forces Movement] and YOU [Young Officers' Union] leadership be involved? What about the Moro National and the Moro Islamic Liberation Fronts? Could there be a Middle East connection, especially since there were reports of a temporary drying up of funds from the Gulf because of the recent war?

No angle must be overlooked if we are to arrest this bizarre development where a gang of thugs holds an entire province, nay the whole country, hostage to its criminal intentions.

Editorial Assesses Anti-Insurgency Campaign

HK0104053291 Manila THE MANILA CHRONICLE in English 1 Apr 91 p 4

[Text] The recent anniversary of the Philippine Army was an occasion for an optimistic assessment of the campaign against the communist insurgency. As the military leadership reaffirmed the army's loyalty to the civil government and the constitutional system, it also predicted that by the end of this term of this government it would have gained a "strategic victory" against the insurgency.

This assessment was shared by President Aquino, who said she foresaw the "end of insurgency." This is based on the military's claims that the communists' armed forces had been reduced to 17,000 by the end of 1990, from 25,000 in 1987. The level of fighting has indeed gone down.

But this assessment appears to have considered only the operational aspects of the campaign. The apparent success of the military operations ignores the political and economic dimensions of the problem, let alone the contribution of international events in causing a disarray in the Philippine communist movement.

The military campaign has benefitted from the confusion sown in the movement by the debacle of the Marxist economic and political system in Eastern Europe, the upheaval in the Soviet Union, and the deep economic malaise of Cuba and Vietnam, which were the Third World's shining examples of revolutionary triumphs.

The failure of the Marxist economic system to respond to the post-revolutionary aspirations of the people within the system for the basic ambience of daily existence has not only led to the crumbling of the political structure system of the Eastern European states upon which the economy was built; it has also driven Marxist theorists and political leaders all over the world, including those in the Philippine movement, to an agonizing reappraisal of why Marxist-Leninist economic models have failed. The international models and inspirations of the communist movement—the Soviet Union, China and, to a lesser degree, Vietnam—are in trouble. They have opened their economic systems to wider penetration of the market, although it is not correct to say that they are abandoning the system. They are trying to renew the system, without embracing capitalism. In this search for a new model, the Philippine movement is also groping for a renewal, resulting in the diminished militancy of the movement.

This context must be understood in order to find a way to address the Philippine insurgency beyond the superficial aspect of military operations. The appalling social and economic inequality and widespread poverty have been the fertile soil that has nurtured the longest-running insurgency movement in Asia.

External events and the improvement of the economy may have reduced the intensity of the rebellion of the poor, but they cannot eradicate this revolutionary seedbed. So, we cannot share the buoyant assessment of crushing the movement in the long term. The question of respect of human rights is another thing. Although the level of combat has dropped, which means fewer military operations, there are continuing reports of human rights violations in combat zones in which poor people are being uprooted from their homes and deprived of their means of subsistence. Grievance over these violations leave deep-seated resentment by the victims of military operations.

In the zeal of the government to restore political stability, let us not forget that military success alone rests on the fragile foundations of an unjust and inequitable social order. Given that the economic and social policy directions of this government has been less than redistributive, we could be deluding ourselves into believing that the decimation of the communist guerrilla forces could be the end of history or the end of ideology.

Drought Affecting Rice, Corn Production

HK0104053091 Manila THE MANILA CHRONICLE in English 1 Apr 91 p 7

[By Elizabeth Perez]

[Text] In the past four months, the government has been downplaying the possible dire consequences of the current drought, saying that it would have only a "minimal" effect on the country's food production and supply.

But now, the Department of Agriculture has admitted that actual rice and corn production for the first quarter of 1991 would fall short of the projected growth for the agriculture sector. "Definitely, (actual production) would be lower than projections," said Agriculture Undersecretary Bruce Tolentino.

The Bureau of Agricultural Statistics earlier projected a 28.5% growth in rice production for the first quarter of 1991 as against its year-ago level of 2.146 million metric tons [mt]. Similarly, a 58.7% increase in corn production was projected for the first quarter of 1991, or from the year-ago level of 705,000 mt to 1.19 million mt.

Tolentino said the major factor behind the current lackluster performance of the agriculture sector is the four-month-old drought, which continues to afflict at least 19 provinces across the country. But the government continues to allay fears that the current drought would result in a shortfall in rice and corn supply. The National Food Authority [NFA] said the current national rice inventory stands at 1.6 million mt, or a 97-day supply.

Commercial traders have, in fact, practically stopped buying palay from farmers because they fear there is already an oversupply of rice in the country's urban centers. Similarly, the country has corn stocks amounting to 625,000 mt, 342,000 of which is already in the hands of the NFA.

The grains agency said it could only hold on to a manageable inventory of 200,000 mt, prompting a decision to export 150,000 mt of corn at an estiamted loss of P [Philippine pesos] 99 million.

Palay and corn stocks procured by the NFA last year have been so massive that it had been forced to stockpile the grains outside its warehouses, the NFA claimed. In the short-term, therefore, there seems to be no foreseeable problems with regards to rice and corn supply. But what if the drought lasts?

The Philippine Atmospheric, Geophysical and Astronomical Services Administration (Pagasa) has predicted that the current drought will persist until June this year. But, again, the government says this should be no cause for alarm.

In late 1989 through May 1990, a seven-month drought struck practically the entire country, ravaging more than P3 billion worth of crops and resulting in widespread power and water shortages. Planting and harvesting schedules were delayed, but surprisingly, the country posted a bumper harvest of 4.8 million mt of corn, or 7.2% more than the 1989 output, the agriculture department said. Palay production, however, dropped by 3.8% last year from the 1989 output of 9.45 million mt.

Tolentino said the adverse effects of the drought could have been averted if the government only placed more investments in irrigation. As it is, only 51% of the country's total agricultural area of about 3.2 million hectares, enjoy some form of irrigation, he added.

From 1980 to 1986, Tolentino said, investments in irrigation have declined by 14%. Moreover, only about half of the country's existing irrigation facilities are operating efficiently; the other half are either leaking or silted due to natural calamities, the most recent of which was the July 16 earthquake.

If the country's farmlands only had adequate irrigation, Tolentino said, then the effects of the drought would not have been so widespread nor so immediate. As it is, in less than four months' time, the drought has destroyed about P1.6 billion worth of rice and corn crops and has affected 227,346 ha of farmlands throughout the country. "We are now paying for the sins of past neglect in investing in irrigation systems," Tolentino said.

Thailand

General Sunthon: Martial Law 'Still Necessary'

BK0404031791 Bangkok BANGKOK POST in English 4 Apr 91 p 1

[Text] Supreme Commander Sunthon Khongsomphong said yesterday the National Peace-Keeping Council [NPKC] would try to lift martial law as soon as possible but that it was still necessary for the time being.

The NPKC chairman was responding to calls by several groups, including the Student Federation of Thailand, for a quick end to martial law which has been in force since February 23. He spoke after being named outstanding alumnus of the Armed Forces Staff College.

"They should know it is necessary for us to impose martial law and give us more understanding," he said. "We don't want to keep it long but it is still necessary for the time being. We will try to lift it as soon as possible." Gen Sunthon said people were free to demand the end of martial law as long as they did so "within proper limits".

Army Chief Gen Suchinda Khraprayun, who also was named an outstanding alumnus of the Armed Forces Staff College, said of martial law: "Whatever can be lifted will be lifted. Whatever is still needed will be kept."

Lt-Gen Narudon Detpradiyut, director of the National Defence Institute and of the Armed Forces Information Office, said he believed martial law would be lifted when the time was right.

"To be exact, martial law will certainly be lifted after the new constitution is promulgated because we will have to allow political parties to campaign for a subsequent election," Lt-Gen Narudon said. He said authoritites were monitoring groups calling for the end of martial law to ensure their activities were not illegal.

Ukrit: NLA 'Open to Suggestions' on Constitution

BK0404015991 Bangkok BANGKOK POST in English 4 Apr 91 p 6

[Text] All constitutions will have to be used as a basis for drafting the new charter and the National Legislative Assembly [NLA] is open to suggestions from anyone, NLA president Ukrit Mongkhonnawin says.

Dr Ukrit said in principle all previous constitutions promulgated since 1932 will have to be used as a basis for drafting the new charter.

The NLA, which has the duty of seeing the drafting of the charter, is also willing to listen to all opinions on the matter. Anyone could send ideas to the assembly on the matter.

Asked about the government policy statement today, Dr Ukrit said that it should progress smoothly. He added that today's session would be broadcast live on television and radio.

THE NATION Profiles NLA Chief Ukrit

BK0204050591 Bangkok THE NATION in English 2 Apr 91 p A4

[Text] If Dr Ukrit Mongkhonnawin was disappointed at missing the chance to become Thailand's 18th prime minister, his appointment yesterday as president of the National Legislative Assembly [NLA] should well serve as a consolation.

There are a few obvious reasons why the National Peacekeeping Council (NPKC) chose Ukrit to head the national assembly, whose most important task is to draft a constitution to pave the way for a general election.

Ukrit, who has a well-established reputation in the legal profession, served as president of the Parliament during 1983-89 and is seen by the military as someone well-versed in managing parliamentary affairs. But what is more important is Ukrit's close association with the military. He is a prominent member of the advisory board serving the NPKC and is known to have the trust of the military.

"We need someone who can provide the assembly with guidance," said a retired military officer who is a prominent member in the assembly. "There are 292 people in the assembly and it would be a big mess if it were to proceed without guidance—and Dr Ukrit is exactly the person to provide that guidance."

Ukrit was the first person to come to mind when the military thought about nominating a civilian to head the provisional government. But it decided to choose diplomat-turned-executive Anan Panyarachun instead because it needed someone of his calibre and background to win back the confidence of the international community in Thailand's economy following the coup.

In fact, it was not the first time that Ukrit was mentioned as a potential candidate for the premiership. When Gen Prem Tinsulanon turned down another term as prime minister in 1988, Ukrit's name was also floated as a potential successor.

It was little surprise that the 58-year-old lawyer was chosen to head the National Assembly yesterday because the military knew he was not someone who would stir things up. As president of the national assembly, Ukrit is expected to toe the line and maintain close working relations with the military. He was a member of both the national legislative assembly under the Thanom government in 1972 and the National Administrative Reform Council of the Thanin government in 1977. He once said that his favourite motto was: "Lawyers can do everything." His "everything" reportedly included his role in helping the NPKC put the final touches to the many announcements and orders it issued in the aftermath of the Feb 23 coup to—among other things—curtail civil liberty and abolish the parliamentary system of which he was once a part.

The French-educated lawyer, who is the principal of the well-known Ukrit Mongkhonnawin Law Office which he founded in 1970, also played an important role in the drafting of the provisional Constitution which is being used by the Anan government to govern the country. The constitution has been criticized for retaining substantial power for the NPKC.

As president of the National Assembly, Ukrit is expected to exert considerable influence over the shape of the new constitution yet to be drafted. In fact, Ukrit has already been floating ideas on how the new charter should look, especially on the electoral process. Some of his ideas have been reflected by both Supreme Commander Gen Sunthon Khongsomphong and Army Commander in Chief Gen Suchinda Khraprayun in talks with the press in recent days.

In a recent press interview, Ukrit suggested that the general election promised by the NPKC be held under a proportionate party system. He explained that parties will get parliamentary seats in proportion to the percentage of votes won. "For example, if there are 10 parliamentary seats at stake in a particular constituency, a party that musters 30 percent of the votes will be entitled to take three of the seats. The rest will be split also on the basis of vote percentage among other contending parties," explained Ukrit, a former dean of the Law Faculty of Chulalongkon University.

Ukrit said the idea is to discourage vote-buying by individual politicians. Under the traditional electoral system, he said, wealthy politicians would choose to run in any constituency where they believed money could win them votes. Under the proposed system, he said, money would make little difference because the electorate will be voting for parties and not individuals.

Ukrit also favours the "separation" of power between the executive and legislative branches—an idea repeatedly expounded by the military leaders. He said no MPs [members of parliament] should be allowed to hold Cabinet portfolios unless they relinquish their parliamentary seats. The professed logic is to prevent politicians from recouping money invested in elections.

The military has openly faulted politicians for buying their way into parliament and claimed that the new constitution will contain safeguards against such a practice. From all indications, the next general election, promised to be held once a new constitution is adopted, may be held under those new conditions if the military has its way. Politicians have criticized the idea of the separation of powers, which they say would discourage capable people, with good intentions towards the country, from running in elections.

But, in another interview on March 18, Ukrit was careful in distancing himself from the idea that the next prime minister should come from a direct election. He branded the idea as too "American" for Thailand.

Ukrit recalled that when he ended his term as president of Parliament two years ago, he thought his political career had come to an end. And when he was invited to serve the NPKC and later to join the assembly, he eagerly responded. "One should not refuse a chance to serve the country," he said.

The veteran lawyer said he believed that the assembly's crucial task to draft the constitution was Thailand's "last and only chance" to establish genuine democracy. Of course, he did not say that in Thailand democracy has different meanings to different groups of people.

Source: German Mayor Rejects Extradition of Manun

BK0404013991 Bangkok BANGKOK POST in English 4 Apr 91 p 6

[Text] Stuttgart City Mayor Manfred Rommel says any attempt by Thailand to extradite fugitive Maj-Gen Manun Rupkachon will be rejected, an informed source said yesterday.

Dr Rommel, a famous lawyer and son of legendary Field Marshal Erwin Rommel, reportedly said he considered it unjust for the Thai Government to ask for the extradition since Maj-Gen Manun has already been granted political asylum in Germany.

Put to him that the extradition would be because Maj-Gen Manun had been allegedly involved in a criminal act in Thailand—the alleged death plot against some of the highest figures in the land—Mayor Rommel said he still cannot accept this as justification for extradition. This is because he believes the assassination charge is a "political ploy to discredit Maj-Gen Manun".

"Why did they take so long—nine years—to investigate the case?" the source quoted Dr Rommel as asking during a conversation early this week in Stuttgart.

The mayor said if such a serious case occurred in his country it would take no more than a year to complete the investigation, said the source. Mayor Rommel said since there was no extradition agreement between Thailand and Germany any request by the Thai Government would take German law into account.

The source also quoted Maj-Gen Manun as saying he was ready to fly back and fight the case in a civilian court if the Government would dare abolish martial law in Thailand. The source said Maj-Gen Manun's video tapes, which he made to defend allegations against him, have been sent back to Thailand and have also been widely distributed among Thais in Europe, particularly in England, Germany, France and Sweden.

According to the source, who saw the tapes, Maj-Gen Manun called the assassination charge a "set-up" by a group of military officers to discredit him.

Minister Protests U.S. Rice Sale to Philippines

BK0304143591 Bangkok Domestic Service in Thai 1200 GMT 3 Apr 91

[Text] In connection with the commerce minister's protest to the U.S. Government over its sale of rice at a low price to the Philippines, which has an impact on Thailand, Commerce Minister Amaret Sila-on granted the following interview with reporters:

[Begin recording] [Amaret] According to common practice, the United States has to inform us prior to selling rice to countries which are our major customers. If we say nothing, it can go ahead with the rice deal. Now that we have lodged the protest, the United States will have to reconsider whether or not it will sell the rice at that price, to adjust the price or the conditions, or to halt the deal. However, the U.S. has the right to sell. That is their right.

[Unidentified correspondent] Is this the first time that we have protested with the United States over the rice issue?

[Amaret] No, we have lodged protests before.

[Correspondent] Will the rice dumping have any impact on our country?

[Amaret] We have to wait and see. If the United States listens to our reasons, this will help stabilize the rice trading and the situation will be better. Other rice exporting countries, such as Vietnam or Pakistan, will also benefit. The farmers will benefit if the prices of agricultural products are reasonable and stable. Everybody has to bear in mind how difficult it is for the farmers to produce one metric ton of paddy.

[Correspondent] Is your protest aimed at achieving a stable rice price in the long run?

[Amaret] We lodged a protest with the United States because it is selling rice at a price which is lower than the usual world market price. We cannot accept this since the price is much lower than that in the world market. This is considered an unfair practice. The United States adopted anti-dumping laws against our exports to it by claiming that we cut prices unfairly. This is the same issue. The only difference is that the people who will suffer from this are the 30 million farmers of Thailand. [end recording]

GSP Exports to U.S. Increase in 1990

BK0404032591 Bangkok BANGKOK POST in English 4 Apr 91 p 24

[Text] Exports to the United States of products listed to receive generalised system of preferences [GSP] rose by 28.54 percent last year.

The Foreign Trade Department said goods worth US$2,011.51 million baht were shipped to the US last year, with $1,226.64 million worth eligible for GSP duty-free treatment. The other $784.87 million worth of goods was made up of those whose GSP status had been suspended by Washington after exceeding the export ceiling.

Magnetic video tape topped the export items receiving GSP, followed by accessories made of precious metals, Christmas tree lighting, detonating sets and telephone sets. The GSP status of each of the first three items later was withdrawn after their export value exceeded Washington's ceiling level of $92.73 million.

The Foreign Trade Department has asked the US to reinstate the GSP for 10 items which have more than 50 percent of the US market, but whose export value is below the competitive need limit of $10.89 million set by the US. The GSP list for Thailand's exports to the US this year remains unchanged, it added.

In another development, the department said several exports were impounded at US ports between October and December 1990. The items included fish and canned food products, rice and its products, frozen seafood, stimulant drinks, cosmetics and spicy products. US authorities cited several reasons for the action, including the alleged discovery of adulteration and bacteria in some shipments, and insufficient inspection documents from Thailand. The department said the US lacked proper information and suggested that Thai producers exporters study US rules and regulations thoroughly to avoid similar problems in the future.

Verification of Lao Troop Withdrawals Continues

BK0404014791 Bangkok BANGKOK POST in English 4 Apr 91 p 6

[Text] The Joint Thai-Lao committee yesterday finished its second day of verifying troop withdrawals from disputed border areas.

The committee members—comprising delegates of the two countries—were flown by helicopter to many locations on the Laotian side of the border from which troops had been withdrawn. During yesterday's inspection, they had to walk for about two kilometres to a former Lao stronghold on Phou Huat. It was a large military base, opposite Ban Mai, Ban Klang and Ban Sawang of Uttaradit's Ban Khok Subdistrict.

Col Sema Yusathaphon, leader of the Thai delegates, was satisfied to see traces of troop withdrawal from the base. He said this indicated sincerity by Laos to comply with an agreement reached in Vientiane between Army Chief Gen Suchinda Khraprayun and Lao chief of Military Supreme Staff Gen Sisavat Keobounphan last month. But he said the Lao side, led by Col Phommachak Southisane, admitted the withdrawal of Lao troops had not been completed.

Reporters noticed that a location which was once a military base on the Thai side of the border was clearly visible from the Phou Huat base. The committee will today verify the withdrawal on the Thai side of the border.

The committee members will be flown to Ban Rom Klao, Ban Nacharoen, Ban Bo Phak, Ban Huay Phai and Ban Huay Yang in Phitsanulok's Chat Trakan District. Tomorrow, both sides of the committee will conclude the verification at Ban Muang Phrae in Loei's Na Haew District and will sign a document to verify the withdrawal. Maj-Gen Wirot Wachirawat will sign for the Thai side while Col Phommachak will sign on behalf of Laos.

Acknowledging SRV Influence in Laos 'Crucial'

BK0304031191 Bangkok THE NATION in English 3 Apr 91 p A12

[Commentary by Kawi Chongkitthawon in Vientiane]

[Text] The blueprint of Thailand's new policy towards Laos has attracted great attention here. While Lao officials in general welcome the move, some of them are bewildered by Thai enthusiasm—the first since 1975—in coming up with a comprehensive policy to assist Laos.

Currently the Anan government is preparing a Bt [baht] 200 million aid package for lesser developing countries in the region, of which Laos will be the largest recipient. Whatever the motive behind Thailand's ambitious plan, there are certain realities related to Laos that Thai policy makers should bear in mind.

After the Lao People's Revolutionary Party took over power in Vientiane in 1975, Thai policy towards the landlocked country had been largely based on distrust of the Lao socialist leaders. For years, this distrust dictated the shape and scope of Thai-Lao bilateral relations.

Except for a brief period in 1979 when then Premier Gen Kriangsak Chamanan visited Vientiane and signed a joint communique on friendly relations with his Lao counterpart, Thai-Lao relations have mostly been strained.

After the Kriangsak administration, Thai policy towards Laos was going downhill because it was aimed at punishing Laos for its alignment with Vietnam in the Cambodian conflict. A series of harsh laws and regulations were enacted in Thailand to restrict border trade and make life for the average Lao more difficult as Laos was relying heavily on Thai consumer goods. The trade restriction included a long list of embargoed goods which could not be traded with Laos.

Under Premier Gen Prem Tinsulanon, Thailand's policy was based on a make-believe perception that the country's hard-line policy toward Laos, which was experiencing economic difficulties, would force Vientiane to edge closer to Bangkok. Thai leaders firmly believed then that Laos could be weaned away from Vietnam with a "carrot and stick" policy. But the policy failed when Laos stood firm on security matters, including border disputes with Thailand. Eventually, mounting tensions led to a brief but bloody border war at the end of 1987 between the two countries over Ban Rom Klao.

After the worst, Thai-Lao ties took a turn for the better. For one thing, the Thai military had for the first time a realistic perception of Laos, seeing it as a country with strong defence capability. Before the border war the Thai military seldom treated Laos as an equal to Thailand.

The Thai stereotyped thinking of Laos as a weak, poor socialist country firmly attached to Vietnam, has somewhat weakened over the years as Thailand's fear of communism and Vietnam subsided. Thai-Lao ties changed for the better when Gen Chatchai Chunhawan came to power in August 1988. The new prevailing attitude also augured well with Chatchai's Indochina policy that sought to bring the whole Indochinese region into the mainstream of Southeast Asia.

Under Chatchai, Laos was treated as an intermediary between Thailand and Vietnam and that its prosperity would help promote stability and economic cooperation in the region. It was through this vision that border trade restrictions were gradually reduced to promote bilateral trade. Chatchai also became the first Thai premier to visit Laos since Kriangsak's 1979 visit. After Chatchai was ousted, the Thai military junta and the Foreign Ministry have adopted a new strategy that will provide massive aid to Laos. The Cabinet is expected to approve the proposed Bt200 million aid package soon.

Apparently, as Thai officials have professed, the new policy is aimed at bringing Laos closer to Thailand and away from Vietnam. Obviously, given the Thai economic strength and good relations with the West, Thailand is in a better position to assist Laos in its economic reforms than Vietnam, which is still struggling to cope with domestic economic hardship and the US-led economic embargo. However it would be naive for the Thais to entertain the idea that such a policy objective could be achieved through aid alone.

One cannot overlook the historical ties between Laos and Vietnam. The communist victories in the three Indochinese countries in 1975 were largely part of the same struggle agianst right-wing governments propped up by the US forces. Their common struggle brought leaders of Vietnam and Laos closer together. Up to now, the communist parties of Vietnam and Laos are still very much together. It is unlikely that any outside factor would weaken their fraternal ties in the foreseeable future, let alone move Laos to align with Thailand.

It is laudable to help Laos, which needs technical and managerial skills from Thailand. At the same time, Thai policy-makers should keep in mind that Laos, while still largely dependent on Thailand for many things, has increasingly diversified its contacts with other countries.

Laos has been through much tougher and harsher times when the international community was still smarting at the victory of the communists back in 1975. It has only been in recent years that Laos earned international respect for its independence and versatile diplomacy. The outcome is evident in its normalized ties with China as well as good ties with many countries in the socialist and non-socialist camps.

As Laos develops relations with non-socialist countries, Vientiane continues to maintain its well-entrenched ties with Hanoi. Vietnam's assistance to the Pathet Lao movement since the early years of the "war of liberation" in Laos has given confidence to the Lao leaders. Given its proximity, political and historical links with Laos, Vietnam's influence over Laos is likely to remain for many years to come. Acknowledging this reality is crucial in planning Thailand's policy towards Laos.

Thailand should not try to compete with Vietnam over Laos. Instead, Thailand should assist and cooperate with Laos in fields that are needed to improve the Lao people's standard of living without any ulterior political motives based solely on Thai security interest.

In fact, non-socialist countries, which provide over half of the total foreign assistance currently to Laos, share this philosophy that Laos' stability and prosperity is crucial for overall security in the region. This trend will continue as the country moves ahead with its open-door policy that puts less and less emphasis on its centrally-controlled socialist economy. Of the non-socialist countries giving aid to Laos, Japan is the largest donor followed by Sweden and Australia.

For the best result, Thailand's assistance should aim at strengthening Laos' socio-economic conditions, so that the landlocked country can move ahead and integrate, at its own pace, with the rest of Southeast Asia. Already, Laos had slowly developed ties with other ASEAN countries. Vientiane will open its third embassy in ASEAN (after Bangkok and Jakarta) in Kuala Lumpur in the near future.

Thailand can serve as a bridge to lead Laos to accede to ASEAN's Treaty of Amity and Friendship, which will improve Laos' relations with ASEAN and open doors to more economic cooperation with the regional grouping. In the end, a healthy Laos is important to Thailand's own stability and prosperity. Laos is at its best when it is serving as a buffer zone between Thailand and Vietnam. Any effort to change this status quo will not only be highly undesirable, it will be very destructive as well.

Article on 'New Era of Trust' With Laos

BK3103032091 Bangkok THE NATION in English
31 Mar 91 p B1

[Article by Kunchada Chaiphiphat: "A New Era of Trust"]

[Text] The first sign that Thai-Lao ties might be taking a great leap forward came when Army Commander in Chief Gen Suchinda Khraprayun visited the neighbouring country early this month.

Suchinda's visit, his first trip to Laos since assuming the office, was aimed at allaying fears on the Lao side that the military coup that toppled the civilian government headed by Gen Chatchai Chunhawan last month would disrupt the implementation of Chatchai's stated, and well-publicized, policy of turning Indochina "from a battlefield into a marketplace."

The army chief wanted to assure Lao leaders that he would continue to honour a previous commitment to promote border security cooperation made during the zenith of military ties between the two countries during the tenure of his predecessor, Gen Chawalit Yongchaiyut.

Chawalit's resignation as army chief and armed forces supreme commander last year raised concern in Laos that his successor would not be keen to honour the commitment. Chawalit played a crucial role in negotiating the end of the dispute between the two countries over Ban Rom Klao in Phitsanulok province and was a crucial force in promoting ties afterwards.

But the agreement Suchinda reached with the Lao leaders during his visit, to pull back their respective military forces along disputed areas straddling Thailand's northeastern border provinces of Phitsanulok, Uttaradit and Loei, and Laos' Sayaboury province, has allayed most of the concern.

Thailand and Laos engaged in a bloody struggle over the 80-square-kilometre border area located between Ban Rom Klao in Phisanulok's Chat Trakan district and Ban Bo Tan of Laos' Sayaboury province between 1987-1988. They later agreed to a ceasefire and to pull back their respective troops three kilometres from the hot spot while seeking to resolve the dispute through negotiation. The standoff continued at Ban Rom Klao and other disputed areas, though no border incidents were reported following the battle.

Suchinda told reporters after his return from Laos that the military confrontation had deprived both countries of opportunities to strengthen economic cooperation. He said the plot of land at Ban Rom Klao, worth less than Bt [baht] 1000 a rai, was nothing compared to the huge benefits that could be generated from economic cooperation.

Both sides began pull-backs on March 14, with Thailand completing its operation on March 19 and Laos later on March 29. A joint military committee will verify the pull-backs on April 2-4.

A joint technical team will be set up, similar to that set up by Thailand and Malaysia, to survey the disputed areas, compare maps and demarcate the boundary between the countries which has been virtually non-existent on these parts of the frontier. Subsequently, Lao Vice Foreign Minister Thongloun Sisoulit said during the 5th Congress of the Lao Communist Party which started on Monday that Thai-Lao relations were at their best so far. Lao Ambassador to Thailand Bounkeut Sangsomsak welcomed the move, saying he expected full-fledged cooperation to develop rapidly given the current atmosphere.

A military source stressed that Suchinda was personally very keen to remove tension along the Thai-Lao border so that relations could grow more naturally between the two neighbours. Suchinda even proposed to the Lao leaders to conduct a joint military operation to suppress the remnants of the Thai communist and Lao right-wing movements, which each side has accused the other of supporting, the source said, adding that Laos had not made any commitment to this proposal. The source said the army chief had decided on a system of security cooperation with Laos in which Thailand would "offer Laos our sincerity first and urge Laos to do the same by showing good will."

Laos has persistently asked the Thai military to suppress the remnants of the right-wing movement, which it believed was using the Thai border as a springboard for its activities in Laos. Thailand has rejected this accusation, saying the government had no policy to interfere with the neighbour's internal affairs.

Though Laos knew that the rebel movement's strength was not formidable enough to topple the government in Vientiane it was still a source of mistrust between the countries. The country especially wants a secure environment because of its efforts to improve its economy.

Thailand and Laos are in a unique position to forge closer ties given similarities in language, culture and religion but ideological differences are still a major obstacle. The distrust has simmered since the Pathet Lao Communist Party took power in 1975, and has been exacerbated by the fact that Laos has supported the Communist Party of Thailand.

Though Laos has ceased its assistance to the Thai communists, this has not put the Thai military any more at ease. It is stipulated in the Lao Constitution that Laos would give refuge to foreigners who fight for "Independence, Justice and Freedom."

Another major step towards security cooperation was Suchinda's agreeing in principle to Laos' proposal to restructure the Thai-Lao Border Policy Committee, chaired by the army chiefs of both countries.

The committee is currently the highest decision-making body on bilateral issues, with subcommittees handling border questions, boundary matters, trade problems and the problem of Lao refugees. Suchinda agreed because he believed there were other factors involved other than military consultations to promoting ties with Laos, according to the source.

The source said Laos wanted to revive the so-called Thai-Lao Cooperation Committee set up during the tenure of former premier Gen Kriangsak Chamanan. The committee was cochaired by the two countries' interior ministers. The source said Laos felt this setup would help improve coordination between civilian agencies because the ministers could directly acknowledge problems and issues and pass them on to agencies concerned. Previously the issues had to be passed down from the army chiefs to officials represented in the subcommittees before reaching the ministers.

However, the source said the new cooperative mechanism was likely to be borrowed from that Thailand uses with Malaysia—a joint commission chaired by the countries' foreign ministers—while security issues would be dealt with by the General Border Committee chaired by the defence ministers and a Regional Border Committee chaired by regional commanders. "The new structure would mean that Thai-Lao cooperation would be dealt with in a more systematic way and on an equal footing," the source said.

The security cooperation has come at a time when the Foreign Ministry was completing a comprehensive plan to upgrade ties with Laos which stressed economic, cultural and technological ties on top of the traditional political dealings.

Foreign Ministry sources said the security cooperation and resultant "trust" would allow the comprehensive plan to be put into action. The goal is to create an atmosphere where Laos can live with Thailand in peace while reducing Laos' security dependence and ideological attachment to Vietnam. The military most of all still believes that Vietnam has been trying to sow mistrust between Thailand and Laos in an attempt to keep Laos in its fold.

Under the comprehensive plan, which outlines future cooperation in information exchange and technical assistance as well as in other spheres, based on the system Thailand has with Malaysia, Thailand will treat Laos as a entity independent of Vietnam. Instead of security issues, the plan stresses the need for Thailand to work to its utmost capacity to help the landlocked neighbour develop itself.

Foreign Ministry officials who monitor Thai-Lao relations said the plan takes into account the disappearance of Laos' communist allies in Eastern Europe, which will mean that Laos will be brought closer to the Western world and Japan. Still, the plan calls for Thailand to continue to actively cooperate with Laos to eliminate remaining problems regarding border security and refugees.

On economic cooperation the government will encourage trade and investment and buy more electricity and cement from Laos. The government also plans to increase technical training programmes for Lao citizens to help the Indochinese country develop its human resources, in its new aid package to neighbouring countries including Vietnam, Burma and the ASEAN countries.

The ministry will seek government approval soon for a drastic increase in the aid package, from Bt13 million to Bt200 million, from which Laos would be given the biggest share. Currently Laos is given training assistance worth Bt 7 million out of the package of Bt13 million.

The aid programme, which is under the supervision of the Department of Technical and Economic Cooperation under the PM's Office, currently provides short-term training to officials and students from the neighbouring countries. The training covers specific areas of agricultural, technical and business management knowledge as well as bureaucratic and cultural exchange programmes and language programmes.

New Foreign Minister Asa Sarasin, who strongly advocates upgrading ties with Laos, has said that given Laos' urgent need for human resources the programme would help considerably. Despite all this, it is clear that Laos will not fully turn to Thailand as its benefactor any time soon.

At the 5th party congress, Lao party chief and Prime Minister Kaysone Phomvihan said that Laos would continue to stay in the communist fold and that the communist party would maintain its leading role in Lao society. At the same time, the Lao leader admitted the huge needs of his country, and indicated that Laos would be open to non-socialist countries who were willing to help.

But a senior Thai officials at the Foreign Ministry said that Thailand did not expect to see an overnight change in Laos. "We only hope that when more Lao technocrats come in to replace the old guards, they would see Thailand more beneficial to them," he said.

Army Declares 'Total Victory' Over Communists

BK0404020991 Bangkok THE NATION in English 4 Apr 91 p A2

[By Korkhet Chanthaloetlak]

[Text] Nan—The Third Army Region has declared total victory over remnants of communist insurgents here after several days of a major offensive that overran five camps and drove many guerrillas across the border into Laos.

Ten Thai soldiers have been injured since the military campaign, involving 600 troops, which began on March 23. Casualties of the insurgents, who abandoned their camps when approached by the security forces, were not known.

Third Army Region Commander Lt Gen Pairot Chanurai said military pressure would continue in order to flush out the remaining communist insurgents. "We want them to surrender after we are in complete control," Pairot said. "They will receive good treatment. We won't take revenge on them for injuring our forces."

The commander said communist guerrillas who surrender would be given land so they could earn their living. He said the major obstacle to the military offensive was landmines planted by the fleeing insurgents. There was only one major clash with the insurgents, in which two army troops were injured, he added. Six soldiers were injured in landmine explosions and two others in non-combat accidents, Pairot said. Two helicopter gunships were hit and slightly damaged by communist gunfire. Pairot said the army forces captured five communist camps. The biggest camp, located on Samliam Hill in Bor Klua sub-district, was seized on Tuesday.

Sources said some 100 armed communist insurgents fleeing the military crackdown were hiding in the Lao side near the Thai-Lao border. The sources said the offensive had eliminated the communist threat in this northern province and badly demoralized those who had escaped. "They are expected to have lost the will to fight and should surrender very soon," one military source said.

Ministry Formulates New Garment Export Policy

BK2803042891 Bangkok Domestic Service in English 0000 GMT 28 Mar 91

[Text] The Ministry of Commerce has formulated a new garment export policy to boost the industry in the long run.

Commerce Minister Amaret Sila-on on Tuesday told reporters that the new regulation will reserve two percent of base quotas to be allocated as a bonus quota. This bonus quota will be granted to exporters who concentrate on non-quota countries. All exporters will not be affected except those dealing with export item 6 to Denmark.

Mr. Amaret added that the ministry will also improve the central quota allocation by allocating it by June every year. This will help exporters maximize the use of their quotas in addition to helping them expand their markets.

Vietnam

Official Reaffirms Stand on Spratlys, Paracels

BK0404105391 Hanoi Domestic Service in Vietnamese 1000 GMT 4 Apr 91

[Text] An official of the Vietnamese Foreign Ministry has reaffirmed Vietnam's sovereignty over Truong Sa and Hoang Sa [Spratly and Paracel] archipelagoes.

At the regular new conference in Hanoi on Thursday, the deputy head of the Information and Press Department of the Foreign Ministry said that now as before, Vietnam advocates the settlement of the disputed archipelagoes through peaceful negotiations. He said Vietnam welcomes the proposals of all countries for cooperation in tapping the resources of the eastern sea in the interests of all countries that want lasting peace and stability in Southeast Asia.

On Japanese Foreign Minister Nakayama's coming visit to Vietnam in May, he said that during his visit to Japan last October, Vietnamese Foreign Minister Nguyen Co Thach invited the Japanese foreign minister to visit Vietnam and the latter accepted the invitation. The two sides are now arranging the time for the visit.

NHAN DAN Urges Realism on Cambodian Issue

BK0404073091 Hanoi VNA in English 0607 GMT 4 Apr 91

[Text] Hanoi VNA April 4—"What is urgent for the international community now is to encourage all Khmer factions to reconvene the meeting of the Supreme National Council (SNC) aimed at discussing and deciding all Cambodia's internal affairs," says the national daily NHAN DAN in a commentary today.

It says:

"In its efforts to accelerate the early achievement of an overall solution to the Cambodian question, Vietnam's stance is clear-cut and consistent. Now as before, Vietnam always regards the documents prepared by the Big Five as a framework and a foundation for negotiations to achieve an overall political solution to the Cambodian problem on the basis of respect for the United Nations Charter and Cambodia's sovereignty. This principled stance is in line with the realities of the present situation in Cambodia. A fair solution must respect the realities of the present situation in Cambodia where the State of Cambodia is controlling almost the whole territory. The future of Cambodia will be decided by the Cambodians themselves through free general elections".

It goes on: "In order to make an early breakthrough in the settlement of the Cambodian problem, all concerned parties should adopt a realistic attitude and should take into consideration a broader issue concerning Cambodia's future destiny, namely the organization of free general elections with the United Nations playing an important role, but not bog down in the question of transitional authority. However, this question will be discussed and agreed upon by the Khmer factions in the SNC's meeting."

"This is the experience in settling not only the past Indochinese problems (1954) and the [words indistinct] (1961-62) but also the issues in Namibia and Nicaragua," notes the paper, concluding: "If a more realistic attitude is adopted, an overall political solution to the Cambodian question, though certain difficulties still ahead, will not (not) be unrealisable".

Commentary on 'Schemes' of Cambodian Resistance

BK0104153791 Hanoi International Service in English 1000 GMT 1 Apr 91

[Station commentary]

[Text] The Phnom Penh government has more than once reaffirmed its determination to solve the Cambodian issue. What about other Cambodian factions? What have they done to speed up the process of solving this issue? Here is our radio's commentary:

Last week, the Phnom Penh government twice affirmed its goodwill in solving the Cambodian issue. Speaking at the Fifth Congress of the Lao People's Revolutionary Party in Vientiane, Cambodian President Heng Samrin pointed to the goodwill and stance of the Phnom Penh government on this issue. He said: The State of Cambodia will build an independent, peaceful, neutral, and nonaligned Cambodia, maintaining good relations with the neighboring countries and all other countries in the region and other nations, including China. Implementing that policy, the Cambodian state will do all it can and is ready to discuss a number of points in the draft agreement of 26 November 1990 advanced by the permanent members of the UN Security Council with a view to arriving at a political solution which will insure the nonrecurrence of the genocidal regime in Cambodia.

On 30 March, Cambodian Foreign Minister Hor Namhong said that the Phnom Penh government is ready to take part in a meeting of the Supreme National Council [SNC] consisting of four Cambodian factions.

These statements of the Cambodian state came in the wake of active efforts made by Indonesia, France, and some other countries in promoting the process of settlement of the Cambodian issue. The new commitments made by the Cambodian State has facilitated this process. In the current situation, all ways to a solution to the Cambodia issue have been opened. People are waiting for the attitude and concrete actions from the two opposing Cambodian factions whose response to the new goodwill of the Cambodian state has created a feeling of hopelessness. According to AFP, on 28 March the opposing Cambodian factions met in a place near the Thai border to discuss the launching of a big attack on Phnom Penh. The Bangkok-based AFP correspondent reported that a large-scale attack on the Phnom Penh army seems certain in the coming days.

During his visit to Japan in late March, Son Sann called on Western countries to supply weapons and provide military training to opposing Cambodian factions, and shutting his ears to growing public demand for the lifting of the U.S. embargo against Vietnam, Mr. Son Sann called on the West and the United States to continue sanctions against Vietnam. This move shows that the opposing Cambodian factions keep refusing to solve peacefully the Cambodian issue, and it is obvious they schemed to ignite a civil war in Cambodia in a bid to solve the Cambodian issue by force. Facts show that these schemes would do nothing but prolong the process of solving the Cambodian issue. First of all, it is difficult to convene a meeting of the SNC to solve internal aspects of Cambodia. Public opinions in the region and the world hope that all the Cambodian factions immediately stop their military activities and join the Phnom Penh government at the negotiating table to solve peacefully the internal affairs of Cambodia. By so doing, the Cambodian issue can be quickly solved, meeting the aspiration of peoples of Cambodia and Southeast Asia as a whole.

Vo Chi Cong Letter to Military Hospital 108

BK0304060991 Hanoi Domestic Service in Vietnamese 1400 GMT 1 Apr 91

["Text" of letter from State Council Chairman Vo Chi Cong to Military Hospital 108 on its 40th founding anniversary; date not given]

[Text] To professors, doctors, cadres, personnel, combatants, and sick and wounded soldiers at Military Hospital 108:

Dear comrades, on the occasion of the 40th founding anniversary of Military Hospital 108, 1 April 1951-1991, and on behalf of the party and state, I cordially convey my kind regards and warm greetings to all professors, doctors, cadres, personnel, combatants, and sick and wounded soldiers under treatment at the hospital.

During the past 40 years, under the leadership of the Communist Party of Vietnam [CPV] and implementing esteemed Uncle Ho's teaching which says "good physicians must treat their patients as mothers do their beloved children," various groups of doctors, cadres, personnel, and combatants of hospital 108 have consistently brought the tradition of revolutionary heroism into full play, actively and creatively overcome numerous difficulties and equipment shortages, promptly helped and carefully treated sick and wounded soldiers, applied scientific-technological innovations to the medical profession, promoted the nation's traditional medicine, and effectively applied new methods to the diagnosis and treatment of sick and wounded soldiers.

Although the hospital is responsible for the treatment of soldiers in the rearguard, in recent years it has made great efforts to train public health cadres and personnel for the entire army. Moreover, the hospital has closely monitored the activities of the army to provide prompt service and careful treatment to high-ranking party and state cadres as well as to all soldiers and combatants.

On this occasion, I highly commend you comrades for your achievements and extend my sincere thanks to all units, party organizations, and people in localities for their valuable support and assistance given to hospital 108 during its 40 years of noble service.

Dear comrades, the current renovation cause and national construction and defense tasks require all cadres, personnel, and combatants of the hospital to strive to firmly grasp and strictly implement the party and state lines and policies to overcome difficulties and to enhance professional skills so as to contribute to improving services and treatment for all patients.

I wish you comrades ever greater achievements in upholding the glorious tradition of a heroic unit and in fulfilling all tasks entrusted by the party and the army.

My cordial and resolute salutations,

Signed: Vo Chi Cong

General on Combining National Security, Defense

BK2803073791 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jan 91 pp 32-36

[Article by Lieutenant General Pham Tam Long, member of the party Central Committee and deputy minister of interior: "Combining Security With National Defense—An Objective Requirement of the Cause of Safeguarding National Security and Defending the Fatherland"]

[Text] In its draft platform on socialist construction for the transition period, our party has devoted a whole chapter to deaingl with national defense, security, and foreign relations. This way of raising the aforementioned issues and the contents of the platform themselves indicate that our party has attached utmost importance to security and national defense and has considered them as correlated tasks.

Combining security with national defense is an objective requirement. Realities at home and abroad over the past several decades have testified to the great importance of this issue which involves the lines of the socialist revolution and helps safeguard national security under all circumstances.

Both security and national defense aim at the same target, namely the enemies of the nation and class who stand ready to use both the war of aggression from the outside and instigation and acts of sabotage against the revolution from the inside to subdue our people and annex our country. Depending on the actual balance of forces between the two camps in the country, the region, and the world as well as on their own strategies and tactics, the enemies will use one of these two measures as a major tool to materialize their objectives. Regardless, whatever options they may comtemplate, the enemies still try to combine these two methods and stand ready to change their maneuvers when conditions permit, so as to reach their ultimate goal of eliminating national independence and socialism from our beloved fatherland. Therefore, safeguarding national security always constitutes an important task for both security and national defense in peace as well as in war, and even in a situation of half-peace, half-war. Good maintenance of public security and order will create conditions for firm national defense and vice versa.

The enemies have always nurtured a vast scheme aimed at eliminating the socialist regime and annexing our country. However, history has shown that they are not bold enough to wage war when we are strong, or to create upheavals if conditions do not permit.

In the counterrevolutionary process, the outside enemies have always tried by all means to collude with the inside opposition forces. This is a matter of principle. By making efforts to crush the coordination among our enemies; to isolate and neutralize the opposition forces; to resolutely crack down on criminal activities; to maintain security on the political, economic, cultural, and social fronts; and to firmly build the country, we can create fundamental conditions for guaranteeing national security and safeguarding national independence and freedom. These efforts can also create basic conditions for guiding and formulating the programs of action of our security and national defense forces.

The international situation is developing in a very complicated and contradictory fashion. Far from coming to an end, the struggle between progressive forces and reactionary forces is still going on in the forms of cooperation, compromise, and confrontation at the same time. The imperialist forces have openly asserted their objective to get rid of socialism on a global basis. Far from giving up their plot to wage a war of aggression, the enemies are trying by all means to implement the strategy of peaceful evolution in a bid to completely get rid of socialism. Military strength, weapons, and war means still form a deterrent force. It is possible that the imperialist-waged war which has already erupted in Panama will break out in another part of the world. There is no place where people are safe from the danger posed by the war of aggression. The enemies' strategy of peaceful evolution has become even more dangerous with the new situation. Taking advantage of the crisis facing the socialist countries, the masses' skepticism over the effectiveness of the socialist modality, and mistakes committed here and there, the enemies have whipped up an antisocialist movement in each country to eliminate socialism. They have scored definite results and are encouraging one another to move ahead.

Imperialism and the reactionary forces in the Asia-Pacific region and Southeast Asia are directing their spearhead movement at Indochina. More than ever before, they are fiercely opposing and undermining the revolutions in Vietnam, Laos, and Cambodia with the one in Vietnam being the main target. Faced with the common trend of the world and the resolute struggle of the peoples of the three countries on the Indochinese peninsula, the counterrevolutionary forces have been compelled to talk about or partly reflect practical policies to solve various problems through dialogue. However, they still persist with their acts of war simultaneously on land (Cambodia) and at sea and on off-shore islands. They are calculating and stepping up the dangerous plans of peaceful evolution against our country.

Therefore, the correct way for us to safeguard national independence, strengthen national security, and defend socialism in the immediate future and in the long term is to try to accelerate national construction, uphold our nation's sense of self-reliance, expand international economic cooperation, bridge the gap between our country and the developed countries, and catch up with the common progress of the advanced nations and the age.

Defending the country at this time does not only mean safeguarding independence, sovereignty, and territorial integrity, but also means protecting the socialist regime, the party, the socialist state, the people, the revolutionary gains, and all the true values of the nation. More than ever before, the task of defending the country under the new situation requires correct conceptions and actions toward the issue of national defense and national security and a close combination of these two domains.

A combination of national security and national defense should be achieved in all the activities of these two domains and in the performance of duties and use of forces, as well as in all forms of struggle and operational measures. This is an organic combination in practical activities, which is aimed at successfully carrying out all the political tasks of the party and the state, and not an abstract concept or mere formality.

The concept of combining national security with national defense must be thoroughly understood and complied with throughout the process of performing the task of maintaining national security. To consolidate peace and safeguard the independence and freedom of the country, it is necessary to strengthen the all-people national defense system and build up the Armed Forces along with improving the fighting quality and capacity of the People's Army and developing the networks of people's warfare. In the process of safeguarding the party, the socialist state, the right to mastery, and the life and property of the people, we must intensify social and educational management, reeducate bad elements, suppress counterrevolutionaries and criminals of all stripes, and build up the people's security networks and public security forces. All national defense and national security tasks must be closely combined with each other under suitable forms, measures, and steps.

It is necessary to effectively serve the process of renovation of the country. Meanwhile, under the leadership of our party, we must enact various socioeconomic plans under socialist orientations in order to extricate our country from the present crisis, while creating a new way of life and staving off poverty and backwardness.

Apart from combining their tasks closely with economic work and using their existing potential to help develop the economy, all national security and national defense forces must truly safeguard the process of economic development. Expanding external economic relations at this time is consistent with the objective requirements of our times, and is also a pressing and indispensable need of our country.

Along with continuing their embargo against our country, the enemies have intensified their acts of sabotage and have implemented the strategy of peaceful evolution in a bid to overthrow our regime. Given such a situation, we must constantly heighten our revolutionary vigilance against the enemies' acts of sabotage on all fronts, especially the economic front. Nevertheless, it could be a disastrous mistake if we pay too much attention to the enemies' schemes because such an attitude could lead to indecisiveness and a failure to broaden external economic relations, thus affecting efforts to improve relations with the outside world and slowing down the pace of national development. On the other hand, it could be an even more dangerous mistake if we attach too much importance to efforts to broaden external economic relations, because this move could cause us to underestimate the enemies' schemes and create conditions for the enemies to take advantage of our lack of vigilance to perform acts of sabotage against us.

The most positive approach could be a combination of national defense and security measures. It is necessary to try by all means to see through the schemes and maneuvers of all parties involved, to work together with the various economic agencies in fully developing the aggregate strength of a concerted movement against the enemies' embargo and for the promotion of foreign economic investment, and to sign economic contracts likely to generate profits, thus guaranteeing conditions for developing the economy and safeguarding national security.

Crime control and suppression also constitute a regular measure for safeguarding national security and defense, especially now that, due to many causes, criminal activities are increasing and adversely affect society, the people's lives, and national security and defense. Particularly, now that the struggle against corruption and smuggling has intensified, our security and national defense forces must show themselves worthy of their key roles.

Our national defense and security must be based on the strength generated by the entire people and the overall political system and must also be backed by professional forces. It is necessary to educate the people in both areas and to help them sharpen their patriotism and revolutionary offensive spirit, heighten their vigilance, and clearly understand the enemies' schemes and maneuvers. It is important to work together in evaluating the situations of the inside and outside enemies and to conduct scientific surveys in order to correctly assess the enemies' strength and strategies and tactics both during times of peace and war. At the same time, it is important to ensure that our strategies, tactics, and troop deployment methods meet all defensive and offensive requirements and respond to all combat circumstances in the entire country as well as in each locality, especially in key areas, major political and economic centers, basic national defense lines, and localities likely to witness complicated developments. Efforts to combine security with national defense must be made by all levels, especially by hamlets, villages, city wards, enterprises, work sites, agencies, units, and so forth. It is necessary to formulate well-defined combat plans to guarantee close coordination under normal circumstances as well as in emergency situations.

So that efforts to combine security with national defense generate concrete results, one must take measures to firmly build and develop security and national defense forces, attach importance to quality, and see to it that cadres and soldiers possess firm determination, high morale, fine revolutionary quality, and professional competence commensurate with their work assignments.

Political quality and a sense of responsibility are always contributive factors to the overall strength of our security and national defense forces. These fine traits are reflected through one's boundless loyalty to the fatherland, the people, and socialist and communist ideals as well as one's sense of teamwork, modesty, simplicity, hard work, frugality, integrity, absolute impartiality, close association with the masses, and awareness of the need to rely on and learn from the people in order to fulfill one's tasks.

The people's public security forces and the Vietnam People's Army are endowed with glorious revolutionary traditions. They come from the people and they fight and work for the people. They display close internal unity, maintain good army-people relations, and promote candid international solidarity. In the new situation, they all strive to preserve and develop those valuable traditions. A small number of public security agents and military personnel have failed to set an example through their poor sense of responsibility, bureaucratic and arrogant attitudes, and even through cases of negativism and violations of law. Although those individuals are small in number, they have damaged the prestige and reputation of our public security forces and Army, lessened the people's trust, and reduced combat coordination efficiency. Early detection and stern action are needed to preserve the strength of our public security forces and Army and to promote internal solidarity so that our forces can meet all revolutionary requirements and fulfill all tasks entrusted by the party and people.

Efforts to combine security with national defense must be placed under the centralized and uniform leadership of all party committee echelons. Mechanisms must be set up to coordinate efforts to resolve issues related to public security party committees and military command party committees at all levels. At the same time, plans must be worked out to gain the leadership and guidance by local party committee echelons.

Thus, the strength generated by efforts to combine security with national defense to serve the cause of safeguarding national security and protecting the fatherland will certainly bring about great results.

NHAN DAN on Concord, National Reconciliation

BK2903134991 Hanoi Domestic Service in Vietnamese 1100 GMT 26 Mar 91

[NHAN DAN 20 March article by Mai Thi: "Concord or Disintegration?"]

[Text] Unity of the entire party and all the people is an important issue that has been mentioned and given a proper position in many documents of the Seventh Party Congress. Some people said that although the issue was of course important, it was as old as the earth and we should not talk about it over and over again. Our party has long advised us to safeguard solidarity and single-mindedness within the party like the apple of our eyes. President Ho Chi Minh said: Solidarity, solidarity, great solidarity. Success, success, great success.

It is so clear. Yet, how essential is it that this becomes a lesson in the platform? Such thought implies many reasonable points. However, there are also opposing views, especially on the issue of concord and national reconciliation. It is therefore not superfluous at all to further debate this issue.

Concord and national reconciliation is not a new issue but is a traditional line and policy of our party and state which is included in Uncle Ho's policy of great solidarity. However, this issue has been and is being understood in several ways and modes. Different viewpoints have given rise to different policies of concord and national reconciliation. Our party's viewpoint was that after the aggressors were defeated, we should implement the policy of concord and national reconciliation to allow some people who previously cooperated with the enemy for this or that reason, to join in reconstructing the country, building socialism, and defending the socialist homeland. Those who are hostile to national independence and socialism hold different views. They consider concord and national reconciliation a label to blur the delineation between resistance fighters and those who have opposed and are opposing the people, to wipe out their responsibility for their crimes, and to look forward to a fusion with the capitalist world and a merger into the capitalist path. It is obvious that concord and national reconciliation must be based on common interests. If the interests conflict with one another, how can concord be lasting and fundamental?

Proceeding from vague notions, some people have via the Western press and radios interpreted erroneously concord and national reconciliation. They criticized our party for being prejudiced against those who formerly worked for the enemy, for lacking trust in religions, and for being narrow-minded toward overseas Vietnamese. It can be said immediately that although shortcomings, deficiencies, prejudices, and biased treatment might occur in this or that locality, they are specific cases and absolutely not the scope and nature of the policy on national solidarity and reconciliation of our party and state.

As a matter of fact, the policy of all-people solidarity and the line of concord and national reconciliation of our party and state have created a great source of political and moral strength. Following the victories of the two resistance struggles against foreign aggression, millions of people who formerly cooperated with the enemy have benefited from leniency. Many of them have become cadres, workers, and employees of the state. They all are free to work. Quite a number of them have joined in production and business to become wealthy people in the multisectoral economy of our country. Many of them have been allowed by our state to reunite with their relatives abroad. Many of those reeducated people have been allowed to emigrate to the United States and other countries.

For decades now, forces hostile to us have voiced their opposition to our policy of reeducation. They have described reeducation as torments, reprisals, and violations of human rights. They forget that they themselves once predicted a bloodbath in the wake of our victory. They predicted that the number of victims of such a bloodbath would reach millions. Why? All those who intentionally served as the enemy's lackeys owed a blood debt to the people. Making themselves the measure of others, they think that blood debts must be paid by blood. However, we have neither thought nor acted as they have. There has been no bloodbath. Only those who had committed many crimes were interned in reeducation camps. Reeducation was aimed at turning bad people into good people and allowing those who once opposed the people to return and integrate with the national community. Some people blamed us for not taking these criminals to a court of justice for trial so that they could serve definite terms. Yes, we should have done so. Yet, how would the law have dealt with those who betrayed the country and killed their compatriots? Would it not have been capital punishment? We wanted to spare the criminals a death sentence and put them in reeducation camps. In fact, thus far a great majority of reeducated people have returned to their families. Many of them have returned sooner than they had expected. Is this humanity or violation of human rights? What are human rights if not the rights to live, to be free, and to seek happiness? There have been people who want to live, be free, and seek their own happiness but do not want others and even their own nation to enjoy the same rights. This is the main reason why, as yet, not only have they not repented but have committed new crimes, continued their dangerous acts of sabotage, and fiercely opposed the revolution and the people. Is detention of these saboteurs to protect the life of millions of people a violation or protection of human rights? Does this oppose concord and national reconciliation or warrant the best way to implement concord and national reconciliation?

Through their active life and even by enduring losses and calamities caused by the enemy, our people know very well the necessity of reeducation and the way to accomplish genuine concord and national reconciliation. We do not accept concord and reconciliation in the mode of securing an unconditional draw, confusing the just cause with evils without any distinction between good and bad. Although our people know how to treasure peace, they also resolutely oppose all plots of concord and reconciliation to get a fusion and a merger with capitalism and to have our hands tied up in the struggle for our people's interests.

The Western press and radios have also disseminated petitions by opportunists who cited and criticized the shortcomings of our party and state in the implementation of policies toward religions and overseas Vietnamese. We do not try to justify the shortcomings in this or that place and at this or that moment. Yet, it is obvious that in the renovation process, we have conducted self-criticism and have achieved some new changes in the field of these tasks. Our party and state have promulgated policies toward religions and overseas Vietnamese along the line of ensuring social justice, freedom, and democracy, aiming to bring into full play all abilities and potentials among faithfuls of all religions and overseas Vietnamese.

Our party's policy of all-people solidarity and national concord has been manifested clearly in all domains of socioeconomic, political, and cultural activities. This is to bring into play the potentials of all economic sectors. Many nationalist bourgeois have invested in production, business, and service. This is expanded democracy in the activities of political and socioeconomic organizations. All these are achievements which no one can deny.

However, the noteworthy point is that when oppression, injustice, and fierce national and class struggles still exist in the world along with causes of confrontation and cold and hot wars, there will not be and cannot be concord and reconciliation according to the non-class, general, and abstract viewpoint. From the loss of a socialist regime, one can learn a lesson on concord and reconciliation. Acting at variance with principles, one will inevitably come to a fusion and a merger with capitalism. In the wake of what is called the silk and velvet revolution, communists have been hunted and their relatives have been laid off. As for us, we have gained a valuable experience in all-people solidarity and national concord and reconciliation for the sake of national independence and socialism, and for the people's life of freedom and happiness. This experience will continue to enlighten our renovation process.

General on Party's Draft Platform

BK2703053591 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Dec 90 pp 55-59

[Article by Lieutenant General Doan Chuong: "Some Problems Concerning the Defense of the Fatherland and the Consolidation of National Defense and Security in the Party's New Platform"]

[Text] The draft platform for socialist construction to be presented by the party Central Committee to the Seventh Party Congress affirms that closely linking together the two strategically revolutionary tasks of building socialism and defending the socialist fatherland is one of the fundamental principles for guiding socialist construction in our country during the transitional period. This is a very judicious and important thing. The draft platform also devotes appropriate space to dealing with the consolidation of national defense and security.

I basically agree with the contents mentioned in that part. However, I would like to put forward some supplementary ideas and lay emphasis on the following points: (1) The new thinking about national defense; (2) those questions with a platform-related character in the cause of consolidating national defense and security; and (3) the question regarding mechanism, policies, and relations.

1. Defending the socialist fatherland is one of the two strategic tasks of the revolution. The law governing the survival and growth of our nation and the law governing the socialist revolution have one thing in common, namely, building the country must go along with defending the socialist fatherland. Closely linking the two strategic revolutionary tasks consititutes a fundamental principle that guides all aspects of work of various echelons and sectors.

The world has been and is undergoing extensive change. The world order established after World War II is being changed. The imperialists are furthering their extremely perfidious attempts to eradicate the socialist countries. External coercion has been taking place in many countries, and although there is no danger of a world war, instability, armed conflicts, and limited wars can hardly be avoided. With new scientific and industrial developments and with a determination to take advantage of a situation where there is an absence of long and big wars, various countries, especially developing countries, are competing with one another to develop their latent potentials. The balance of economic forces in the world is undergoing vigorous changes at a time when there are efforts to gather forces, thus heralding profound and complex changes in the final decade of this century and the beginning of the next century. In our country, we have built a relatively peaceful situation nationwide. However, this situation is not steady and perfect as there still remain simmering hotspots. A new dispute has taken place and attempts are being made by foreign countries to impose their will on us and to eradicate socialism in this region. To put it briefly, we are facing a period full of turbulent events and challenges. Racing against time to consolidate peace and stability and concentrating on buiding the country and the economy while remaining vigilant in maintaining national security and national defense now constitute our national policy. While placing the task of building the country at the forefront, we should constantly heighten vigilance and should never overlook the task of defending the socialist fatherland.

Defending the socialist fatherland should not be confined only to fighting foreign aggression and defending national sovereignty, independence, and territorial integrity—air space, sea waters, and the continental shelf—as it also involves protecting the political and social system, and the system of dictatorship of the proletariat, the party, and the people's labor for building a peaceful life. As Lenin put it, defending the socialist fatherland is "defending socialism as if it were the fatherland and defending the Soviet Republic as if it were a unit under the internationalist army of socialism." [Footnote: Lenin's Collected works, Volume 36, in Vietnamese, Progress Publishing House, Moscow, 1988, page 102]. Today, defending the socialist regime constitutes a pressing requirement. As stated above, the imperialists are forging ahead with their perfidious attempts to eradicate the socialist countries. Vietnam is, of course, no exception to this rule. Even worse, Vietnam is also a target for vengeance. If the socialist regime in Vietnam is overthrown, Vietnam will end up becoming a neocolony. Therefore, defending the socialist fatherland, "defending socialism as if it were the fatherland" is a task with a profound national, class, and internationalist character. It is necessary to make everyone fully aware of this fact. The fatherland and socialism are one. Patriotism should be linked with a love for socialism if we are to maintain our vigilance, responsibility, and duty toward the cause of national defense. The Armed Forces and the public security force should unite and cooperate with one another closely in the task of defending the socialsit fatherland. Uncle Ho advised: "The public security force and the Armed Forces should remain vigilant and should know how to supress the enemy from within and without. The enemy from within is the reactionaries who are sabotaging socialist construction; the enemy from without is the imperialist aggressors. Fighting the aggressors and the saboteurs are the duty of the Armed Forces and the public security force in particular and of the entire people in general. As the arms of the people, the party, and the system of proletarian dictatorship, the public security force and the Armed Forces should develop closer unity and greater mutual assistance." [Footnote: President Ho Chi Minh with the People's Public Security Force; The Institute of Public Security Science, 1975]

Life also provides food for serious thought. Not only does a backward country keep its people in poverty and backwardness but it may also weaken its multifaceted potentials and drive itself into a state of insecurity. A country strong militarily but weak economically may hardly be able to maintain its military might. Therefore, building the economy now constitutes a pressing requirement in the people's lives. It is also a need for national development and progress as well as for national defense and security. It is not tha' a prosperous economy will automatically allow us to enjoy a strong national defense and steadfast security, for there must be close cooperation and a practical, scientific, and elaborate organization when it comes to dealing with strategy, forces, and latent potentials. Even a very rich country with a high per-capita national income like Kuwait [Footnote: Military Balance 1989-90, Institute of International Strategy Studies, London, (Britain): Kuwait has a population of 1,951,000 with a gross national income of $18.844 billion and an average per-capita income of $9,600] was overrun by foreign troops overnight. On the other hand, errors committed in enforcing a leadership line may also spell disaster. It may lead to a bitter collapse due to the combined effects of internal and external factors. Even worse, some security forces and armed forces in certain socialist countries, though strong, "remained inactive" in the face of the crumbling of their socialist regime. Therefore, to defend our socialist fatherland—"defend socialism as if it were our fatherland"—we should have an integrated strength. Naturally, we should always keep our Armed Forces and our security force under firm control and in close cooperation. Just as Comrade Nguyen Van Linh said: "It is necessary to unfailingly organize and promote our national construction and struggle in various aspects—political and economic, national defense and security, and foreign relations—trying to generate an integrated strength for national defense just as we did in developing our integrated strength to defeat the enemy during the war." [Footnote: Nguyen Van Linh, "Consolidate Peace, Heighten Vigilance, and Develop an Integrated Strength to Defend the Fatherland": TAP CHI QUOC PHONG TOAN DAN, Dec 89, page 6.] That is our secret.

In the light of the resolution of the Sixth Party Congress, the renovation undertaking of our country has scored initial important successes. However, our country is not yet free from the socioeconomic crisis, and it is now facing new difficulties as a result of profound changes in the world situation. Arrangements for receiving foreign aid have changed and they are no longer the same as they were before. Therefore, now more than ever before, we should be thoroughly aware of the actual state of our country in the face of the current international situation and should devote our minds and energy to upholding the idea of independence, sovereignty, and self-reliance if we are to move forward with a wise policy of "making more friends and fewer enemies," and with a motto once upheld by Uncle Ho: "Act according to circumstances dictated by the situation."

2. Consolidating national defense is a vital task in the cause of defending the socialist fatherland. Once national defense is strong, it will serve as a deterrent to the enemy, thus averting the danger of war. Under the present circumstances of the country, fully aware of the "people's war" concept, we advocate building an impregnable all-people national defense which should be strong enough to contribute to consolidating lasting peace and stability so we can concentrate on building the country while remaining ready to cope with all contingencies for firmly defending the socialist Vietnamese fatherland.

We should closely link economic construction with national construction as part of the effort to build our strategy and national defense potentials. Our all-people national defense should be firmly based on "the strategy for winning people's hearts" which consist of promoting a high identity of views, both politically and spiritually, among the entire people under the correct party leadership and building the close relationship among the party, the state, and the people; and which also involves the people's patriotism, their love for socialism, and their obligation and responsibility toward the cause of national defense.

Based on a steadfast political structure, we should build an impregnable defense system in such a way as to suit the concepts of people's war through efforts to systematically build defense areas, especially at various key points, throughout the country, trying to enlist the participation of all the people and ensure their combat readiness for national defense. Along with building a defense system, we should strive to build our national defense potentials in all aspects and to build a strategic rear and a strategic logistics system. We should perfect various mechanisms to ensure that national defense is being carried out according to the new economic management mechanism while actively working out a plan for a possible switch, if necessary, from one circumstance to another—such as from peacetime to a state of emergency or from peacetime to wartime—and to translate national defense potentials into the actual strength of the people's war for national defense.

The people's Armed Forces serve as the backbone for the all-people national defense and the people's war for national defense. We should always be firm in strengthening the three categories of troops. During peacetime, we advocate building a high-quality, combat-ready regular army with a barely-sufficient numerical strength in addition to a powerful, closely organized, and well-trained reserve force capable of quickly and neatly mobilizing its troops when necessary. Meanwhile, we should pay great attention to building local forces (both local troops and self-defense militia) into steadfast ones in such a way as to suit our national defense strategy. We should concern ourselves with constantly improving the integrated quality of the people's Armed Forces. We should revamp the party leadership over the Army, attach importance to political cultivation, and regard peacetime training as a central task. We should be intent on building the contingent of technical cadres and workers, caring for the material and spiritual life of troops, striving to build comprehensively steadfast grassroots units, and satisfactorily carrying out the Army's rear policy.

We should pay attention to building the Vietnamese military science and should urgently review copious combat experiences obtained so far by our Army and people while studying potential capability estimates and selected progressive experiences obtained worldwide so as to build and perfect our military line and art during the new stage. This is part of our efforts to remain ready to cope with all contingencies. The correctness of our military line and art serves as an important and direct assurance for the cause of national defense.

We should gradually build our national defense industry in order to ensure ever-better equipment for our Armed Forces. This is one of our most difficult tasks at present. We should have a firm determination and a high sense of self-reliance. The Armed Forces should actively participate in national construction in general and in economic and national-defense construction in particular.

3. Consolidating security is one of our vital tasks in the cause of defending the socialist fatherland. Only when security is firmly maintained can we ensure the prosperity of our country and its growth.

Maintaining national security is a mandate of our people. We should rely entirely on the people, constantly improve the people's political awareness, build an all-people security maintenance system, and closely coordinate the mass movement for safeguarding national security—which constitutes an integrated strength of our political system—with other forces in charge of national security maintenance.

It is our policy on public administration to regard preventive education and correction as a fundamental measure against crimes. Launching crackdowns and suppression against criminals is now a necessary measure for reducing crimes and creating conditions for better development of the crime prevention movement.

As a major strike force on the front for maintaining national security, the people's public security force should be built into a clean and comprehensively steadfast, loyal, and reliable one capable of staying close to the people.

4. The cause of defending the fatherland and consolidating national defense and security is vital for our country's destiny and our regime. Therefore, this task should be placed under the absolute leadership of the party and under the unified managing control of the state. We should systematically and closely link the Armed Forces with the public security force in their task of defending the socialist fatherland—"defending socialism as if it were our fatherland."

In dealing with a welfare policy for the general public, the party and the state should come up with an appropriate welfare policy for those forces in charge of national defense and security and for their families, especially for those professional units performing special missions, for the families of fallen heroes, and for disabled soldiers.

In economic construction, the state should pay appropriate attention to its defense and security budgets. Apart from the state budget, it is necessary to set up local funds. Experiences obtained from efforts to use people's funds as an incentive for security police in the implementation of Directive 135 of the Council of Ministers and the Defense Tax Funds by a number of localities should be studied and developed. Finally, all national defense and security activities should be constitutionalized into a law to be observed by all citizens.

The above suggestions are presented in an analytically explanatory fashion. Once condensed into the platform, they should be written in a more succinct manner characteristic of a declaration rather than an explanatory document.

Radio Views Renovation Process in 'Last 5 Years'

BK0104053291 Hanoi International Service in English 1000 GMT 29 Mar 91

[Text] Five years have elapsed since the Sixth National Party Congress. In the last 5 years the Central Committee of the Communist Party of Vietnam, though facing the fierce trials of history, has led the country out of the serious socioeconomic crisis. In this period the Vietnamese Communists, together with their state and people, explored the way for renovation while being loyal to the cause of socialism and gradually overcoming shortcomings and mistakes in all fields of the past. The party has summed up the renovation process of its term of office, evaluated achievements and errors and advantages and difficulties, and pointed out the causes and experiences in order to work out suitable steps for the coming period. These are also important tasks of the coming Seventh National Party Congress.

The party has made public many documents for public discussion. Hundreds of thousands of people have contributed their constructive opinions to the party, expressing their wish to share the responsibility to find the best measures for the renovation process. To make democracy work it is normal to have different, even contradictory, opinions. Any opinion should be respected; no one is entitled to monopolize the truth, which will be bested by reality. However, it should be noted that besides many sincere and goodwill opinions, there are slanders and distortions. These few people deliberately turn a blind eye to the facts there as clear as broad daylight, persistently rejecting the progress made in the renovation process. They exaggerated the negative phenomena so as to reject the positive aspects. In their eyes the state mechanism is impotent, and cadres and party members are degenerated and fail to win the people's confidence. Worthy of note is that recently these discordant notes have been repeated by Western mass media, and these people have been hailed as real renovators, upright men who dare to struggle and to speak out the truth.

It is understandable that from denying the renovation progress, logically they come to denying the party leadership and the cause of socialism. It seems to be a stereotype of some forces which besmear the Communist Party, ostracize Marxism-Leninism, totally denying the achievements recorded in 70 years of socialist construction in the Soviet Union and in other socialist countries. If not a stereotype, these people's points of view are chimed in with those who, in the name of democracy and perestroyka, have acted against communism in Eastern Europe recently, and the tragedy in these countries has been known to everybody.

Fortunately, facing this acute crisis, the Communist Party of Vietnam, seasoned in hard struggles, has courageously accepted all challenges not to steer the revolutionary boat on that stormy route. Of course, no one is fully pleased with what we have obtained over the past 5 years. Besides the progress, we have committed many mistakes and shortcomings. The party does not cover them or attribute them to objective causes. On the contrary, the party has analyzed these mistakes and weaknesses, carried out self-criticism and found out their subjective causes. However, it does not mean that over the last 5 years there are not any positive changes as criticized by some people. We have shifted our state mechanism from centralism based on state subsidies into a state-regulated market mechanism to produce more goods and foods for export. The annual inflation rate has been reduced from 300-400 percent to 7.8 percent. These facts cannot be denied and severed from a clear-sighted leadership and people's effort. The National Assembly has met, adopting a number of new state laws and ordinances. Democracy in information has been enlarged, national defense has been firmly preserved, and social security has been kept.

These are concrete and vivid manifestations of achievements reported by the Vietnamese people during the renovation process over the past 5 years under the leadership of the Communist Party of Vietnam. This renovation process will be continued and no force can prevent it.

Further Reportage on Holding of Party Congresses

VPA's General Political Department

BK0204090591 Hanoi Domestic Service in Vietnamese 1400 GMT 27 Mar 91

[Report by Dang Van Nhung]

[Text] In compliance with the instructions from the party Central Committee Secretariat and Military Commission Standing Board on holding party congresses at various levels in preparation for the Seventh National Party Congress, the congress of the party organization of the office of the Vietnamese People's Army's General Political Department was held from 18 to 23 March 1991 to contribute views on the draft documents of the Seventh Party Congress and to elect delegates to attend the All-Army Party Congress. Some 198 delegates elected from 28 grass-roots party organizations and their subordinate party chapters attended the congress.

After Comrade Nguyen Nam Khanh, member of the party Central Committee, deputy head of the Political General Department, and secretary of the party committee of the office of the Political General Department, delivered his opening speech in which he introduced the delegates and guests invited to the congress. The congress discussed and contributed ideas to the draft documents of the Seventh Party Congress with a truly democratic and scrupulous spirit, and with a high sense of political awareness and responsibility.

Earlier, during political discussions, the entire office of the General Political Department recorded 12,834 ideas contributed by various party cadres and members and non-party members to the draft documents. Various grass-roots party organization congresses focussed on discussing many key points of these documents. However, due to their poor knowledge and preparations, their ideas contributed to various documents were not truly comprehensive. A number of major matters concerning viewpoints, lines, principles, and solutions, though brought up, were not thoroughly discussed.

It was precisely because of this reason that there was a need for the congress of the party organization of the office of the general department to attain a higher quality befitting the position of the general department as a politically strategic organ of the entire Armed Forces. Always keeping this in mind, delegates demonstrated not only their sense of responsibility but also their natural love for the party and the people who have organized, educated, trained, supported, and nurtured the Army over several decades during its process of national liberation and defense. All delegates, irrespective of their fields of work, scrupulously and carefully studied various draft documents ranging from their wording to their major points. Thanks to their experiences from realities in their units and armed with their basic theoretical knowledge, the delegates analyzed the contents of various documents. The delegates prepared their ideas carefully, trying to ensure that they were highly practical and theoretically profound. As a result, all those ideas presented were directed at the most essential matters reflective of our party's major viewpoints without being drawn into small details.

After four days of non-heated yet enthusiastic debate, among the 75 ideas discussed at the forum, 14 were put in writing to be submitted to the Seventh Party Congress. Basically, all the ideas discussed unanimously agreed with the contents of the draft documents. These supplementary ideas, though dealing with the overall contents of the documents, were focused on seven major points, namely: (1) the evaluation of the reasons for the successes of the revolution as well as the many revolutionary lessons; (2) the prospects of our time; (3) the road toward and principles for socialist construction; (4) the objectives, concepts, and solution to a plan for socioeconomic strategy for the transitional period in our country; (5) the evaluation of the results of the renovation undertaking over the past four years and the socioeconomic task for the five-year 1991-95 period; (6) the two strategic tasks—national defense and security, and foreign relations; and (7) the political system and the question regarding party building and the revised party statute.

Through their democratically-organized discussions, one hundred percent of the participating delegates unanimously agreed that the introduction of the platform for socialist construction during the transitional period at this time is necessary and that unlike what had been claimed in certain contradictory views, we now have sufficient conditions, both in theory and practice, for refining the platform. However, there were also a number of proposals for renaming the platform as the platform for building the country during the transition to socialism or the platform for national construction and defense during the transition to socialism. Some suggested that the body of the platform be rearranged and that it be written more concisely and succinctly.

Regarding the evaluation of successes, the delegates unanimously agreed with the evaluation method used in various documents. In this regard, Comrade Vo Thinh analytically said:

[Begin recording] Concerning the evaluation of the renovation situation over the past four years, I have in mind one word, that is the word "very" in the phrase "the initial, very important successes." In this phrase, the word "initial" denotes quantity while the words "very important" indicate quality. To put it differently, the word "initial" shows the level or the results obtained while the words "very important" denote the meaning of these results. From this, I agree with the idea of leaving the word "very" intact in this phrase. This is not a matter of just cause but it bespeaks the correctness of the lines and viewpoints of our party in the renovation undertaking and reflects the efforts of our entire party and people in the renovation process. It also shows our confidence in the ensuing steps of the renovation process.

From what I see, the above phrase implies results that were clearly elaborated in the documents, namely: (1) our economy is in the process of transformation and the activities of our political system are in the process of renovation along the direction of democratic development; and (2) the political situation is stabilized and national defense firmly maintained. The concrete substance of these two issues were already fully noted in the documents. I also find that the above phrase implies weaknesses and difficulties we have encountered, are encountering, and will continue to encounter. During 1991 and 1992, we will face ever more serious difficulties in certain areas. These difficulties are: The economy is still very unbalanced while the question of wages is still unreasonable; and the number of jobless workers are still numerous, social injustices still prevail, and the state of corruption, lack of democracy, and violation of discipline are still rampant. With the existence of the phrase "the initial, very important successes," is there any contradictions in the evaluation? From what I see, there is none. It is clear that these strategic successes are very important because of the following: First, our economy has experienced many changes as cited in the documents. Second, the confidence of our entire party and people in the renovation undertaking is irreversible. This confidence has led to a lasting determination among our entire party, people, and Army to fight until the success of the renovation undertaking. Third, and also most important, we have attained initial successes, although weaknesses and shortcomings are still overwhelming and the country has yet to free itself from a socioeconomic crisis. However, we have drawn on many experiences, both from successes and setbacks. From this, our party clearly defined matters of conceptual and principle character and affirmed appropriate steps forward. [end recording]

However, many delegates held the view that in the part dealing with the party's shortcomings and deficiencies and the reasons for this, the documents failed to bring these mistakes up satisfactorily. There were only 22 delegates unanimously agreeing with the evaluation in various documents that our party has committed mistakes in strategic guidance and in determining the specific lines in a number of important areas of work. The remaing 175 delegates suggested that we should basically evaluate as correct the overall lines, except for certain important points. As for the question of time and the road toward and principles for socialist construction in our country, there were as many as 17 suggestions concerning such matters as the prospects of our time, the inevitable road to socialism, the basic differences of our country during the transition, and the socialist model built so far by our people, as well as those basic methods used in the process of socialist construction.

Debate on the scope of an era was always more animated. Differing views on this issue were noted. Some agreed to the wording in the documents and advocated that the era should remain a transitional period from capitalism to socialism worldwide which started with the great Russian Socialist October Revolution. Comrade Nguyen Manh Dau's statement typified such a view:

[Begin recording] I contend that an era is a long period of time in human history. It is marked by a social revolution in a nation and a country which led to sociopolitical changes. An era differs from a period because I consider an era a long period of time in history. [end recording]

Nevertheless, some views held that although the fundamental scope of an era as stated in the draft platform is correct, it is insufficient because there are now three main trends in the world. First is the transition from capitalism to socialism, second is the struggle for national independence, and third is the struggle for environmental and ecological protection. When talking about the scope of an era, we should include all these three activities. Meanwhile, other views held that although the wording in the draft document is correct, it is not persuasive in the present situation. The wording should be more flexible. We should discuss only the peculiarities of the current period, which is the struggle for peaceful coexistence, internationalization of the economy, exchange of information, and the struggle for environmental and ecological protection. Some other views held that the scope of an era as specified in the document is not suitable to the current international situation when the socialist system no longer exists, socialism has lost its vitality in Third World countries, and communist parties in capitalist countries are in dire straits. The following rewording was proposed: The fundamental scope of today's era is the extremely fierce and complex struggle between the forces of socialism, peace, and progress and the capitalist, imperialist, and reactionary forces in a world overwhelmed with changes that are both unified and contradictary at a time when cooperation is mixed, with struggle and peace mixed with confrontation. Finally, the scope of today's era was unanimously voted to agree with the wording in the draft platform.

The delegates presented their views on another issue of interest to them and unanimously proposed that the chapter on national defense, security, and foreign affairs be divided into a chapter of national defense and security and another on foreign affairs, saying that these issues should not be included in one chapter even though they are interrelated. As for the national defense issue, many delegates held that the Armed Forces' merits should not be cited as they were in the document. All the delegates proposed that the document should clearly determine the position and mission of national defense in the current situation. The principle of party leadership over the Armed Forces should be clearly asserted. Some 191 delegates proposed that the system of field-grade and lower ranking political officers be restored in the Army.

Regarding the documents on party building, the delegates also expressed many meaningful views in several respects. Many of them suggested that exploitation should be expounded clearly because this matter is related not only to the current situation of party building, but also to the building of a contingent of party successors in the future.

Throughout four days of debate, all the views were successively presented to form a consistent chain to help create a very significant success for the party organization congress of the General Political Department.

Concluding the debate, the congress heard a statement by Comrade Nguyen Quyet, secretary of the party Central Committee and member of the standing committee of the party Central Committee's Military Commission. In his statement, he stressed the ideological task of our party from now until its Seventh Congress, which is to sternly criticize the erroneous viewpoints and to assert our viewpoints and stand, which is to persistently continue the path chosen by our party and Uncle Ho to advance toward socialism.

Finally, manifesting a high sense of responsibility and clearsighted selection, the congress of party delegates of the General Political Department elected sufficient meritorious delegates to the upcoming All-Army Party Congress.

5th Military Region

BK2903120091 Hanoi Domestic Service in Vietnamese 1400 GMT 27 Mar 91

[Text] The Standing Committee of the 5th Military Region's Party Committee recently met to assess the results of and draw experience from grass-roots party congresses in order to prepare for the military region-level party congress with higher quality. On the basis of a review of various reports on the suggestions made by grass-roots and upper-level congresses, the Standing Committee of the party committee and political organs of the 5th Military Region selected a number of major issues concerning the party's line, tasks, viewpoints, ideology, and principles for discussion at the military region's party organization congress. It was proposed that the congress focus its discussions on these issues instead of going too far into specific situations or being unduly preoccupied with rhetoric. This will help develop a sense of responsibility and result in democracy and freedom of expression among delegates in making suggestions. At the same time, it will promote ideological struggle to defend the party's line and viewpoints and to criticize wrongful viewpoints in a reasonable and persuasive manner. During the congress, the military region will continue to provide guidance to ensure satisfactory implementation of its regular tasks.

War Veterans Association

BK0104093691 Hanoi Domestic Service in Vietnamese 1000 GMT 29 Mar 91

[From the daily press review]

[Text] QUAN DOI NHAN DAN today carries an article by Bui Dinh Nguyen on the first round party organization congress held by the War Veterans Association Central Committee.

Delegates to the congress discussed the party draft documents and expressed their identity of views to these documents. They also studied the five lessons of experiences, the strategic objectives, fundamental tasks, and essential measures mentioned in the platform on socialist construction.

The congress highly appraised the initial achievements scored in the renovation cause. Most of the delegates were of the opinion that renovation is necessary in Vietnam, saying that during the past four years renovation has brought about improvement in the political, economic, national defense, security, and foreign affairs domains, thereby helping to stabilize national political security.

Military Commission Organizations

BK0304140891 Hanoi Domestic Service in Vietnamese 1100 GMT 3 Apr 91

[Text] As of 30 March, nearly all party organizations directly subordinate to the Military Commission of the party Central Committee had finished holding their first-round congresses. At the party congresses of organs of the various general departments, military regions, armed branches and services, army corps, academies, and schools, delegates showed a high sense of responsibility and brought democracy and freedom of thought into full play. They dealt with many aspects of the task of improving the quality of the Armed Forces in general and the main forces in particular in the new situation. They pointed to the need to build a regular revolutionary army with appropriate troop strength and high quality and to modernize it step by step so it may satisfactorily fulfill its military tasks, thereby proving itself worthy of being a reliable instrument for the defense of the socialist regime, the party, and the people.

Hanoi Construction, Customs Sectors

BK0104114391 Hanoi Domestic Service in Vietnamese 1000 GMT 29 Mar 91

[From the daily press review]

[Text] The paper HANOI MOI today carries a report on the first round party organization congresses organized by the Hanoi construction corporation and customs sector.

Delegates to the construction corporation congress suggested that party members should contribute ideas in a constructive manner to help the party overcome shortcomings and mistakes so as to strengthen unity among the party members. Many delegates expressed opposition to those who strongly criticized the party without mentioning mistakes committed by individual party members, especially cadres at leading agencies who are involved in corruption. The party, however, has realized this and has, together with the state, issued directives to purify the party and to curb corruption.

Delegates at the customs sector party organization congress agreed that the party should revamp its leadership. They also agreed that the party should not do the work of the administration but should formulate lines and policies for the administration to implement, while mobilizing mass organizations to launch emulative movements to implement the party policies.

Ha Tuyen Province

BK0104094491 Hanoi Domestic Service in Vietnamese 2300 GMT 29 Mar 91

[Text] Party organizations of Ha Tuyen Province arranged for cadres and party members to provide more than 34,500 opinions to the party draft documents.

Most of the opinions suggested that the central level consider practical directions in the mountainous area work, and that the party and state should emphasize the main targets in the mountainous areas, including: reforestation, expansion of transport systems, implementation of settled farming and settled communities, construction of water works and small power stations, increasing medical services, elimination of malaria and goitre, and elimination of illiteracy for the ethnic minorities.

The state needs to have appropriate training policies and priority policies to encourage cadres to serve long terms in the mountainous areas and to provide films, books, newspapers, and communication means to the highlands and the areas in army control.

Khanh Hoa

BK0104084891 Hanoi Domestic Service in Vietnamese 2300 GMT 29 Mar 91

[Text] Some 105 party committees of grass-roots organizations in Khanh Hoa have completed the first round of party congresses.

At the congresses the representatives concentrated on discussing unsolved matters of the Seventh Party Congress' draft documents at the previous meetings and voted on those matters.

Through discussions, many party members understood better the contents of the draft documents and contributed many sound opinions. Apart from this, some members only understood the draft documents in a limited, superficial way.

In the process of organizing the congresses, some organizations conducted the congresses carelessly and became confused in the discussion process and in the process of compiling opinions.

Some party members did not study the documents carefully, the main issues, and some members only automatically agreed one-sidedly.

Hoc Mon District

BK0204053891 Hanoi Domestic Service in Vietnamese 1100 GMT 31 Mar 91

[Text] Hoc Mon District was among the units selected by the Ho Chi Minh City party committee as pilot points from which to conduct the first round of party congresses. Some 240 delegates representing 2,200 or more members of 74 party bases in the district attended the congress.

The congress focused on debating six major issues of the Seventh Party Congress' draft documents, assessing the renovation process in our country, and further asserting the socialist goals and the period of transition to socialism in rural areas and the measures to achieve the objectives of stabilizing the socioeconomic situation in the coming years in which the state-run economy holds the key position in the multisectoral economy. The congress also debated the implementation of social policies; the issues of foreign affairs, security and national defense; the required measures to consolidate the party; and some problems related to party building.

Tan Ky District

BK0204062691 Hanoi Domestic Service in Vietnamese 1100 GMT 31 Mar 91

[Text] Some 148 delegates representing 4,000 or more party members in Tan Ky District, Nghe Tinh Province, attended the first round of the district party congress. Before the congress was held, party bases in the district had collected 25,500 suggestions by cadres, party members, and the people.

At the congress, the delegates focused on debating some issues concerning the mountainous regions, the policy toward nationalities, the policies on ricefields and land, and the allocation of ricefields and land to peasants and party members who join the private economic sector.

Proceeding from realities of production and life in a midland district, the delegates asked the central government to formulate specific measures and policies toward the mountainous region in order to exploit its potentials and, at the same time, raise the living standard of ethnic minority people.

The party Central Committee should issue specific guidance and rules for party members to join the private economic sector.

Son La City

BK0204100291 Hanoi Domestic Service in Vietnamese 1430 GMT 30 Mar 91

[Text] The party organization of Son La City has held the first round of its 13th congress of delegates. The party organization was chosen by the Party Committee of Son La Province as a pilot unit to hold a congress to provide experience for the holding of other congresses in the province. Before the city's congress was held, 59 grassroots party chapters and organizations had held their first-round congresses. Together with the conferences of the mass organizations, party members, and people of all strata in the city, these party congresses made nearly 14,000 suggestions to the draft documents of the Seventh National Party Congress. More than 80 percent of party members contributed ideas to these documents.

The delegates to the party organization congress of Son La City made candid suggestions to the draft documents and focused most of their discussions on the issue of mountain regions and ethnic minorities. The congress elected 31 delegates and three alternate delegates to attend the provincial party organization congress. Of these delegates, 42 percent belonged to various ethnic monorities, 39 percent were people directly involved in production and trading activities, and seven percent were women.

VNA on Production of SRV-USSR Oil Enterprise

BK0204063691 Hanoi VNA in English 0522 GMT 2 Apr 91

[Text] Hanoi VNA April 2—In the first quarter of this year, the Vietnam-USSR Petroleum Joint Enterprises (Vietsovpetro) pumped up 798,000 (metric) tons of crude oil, up by 30,000 tons over its plan and by 62 percent over the corresponding period last year.

This was the biggest output ever achieved in a quarter. Last year, the enterprise tapped 2.7 million tons of crude oil, which is expected to rise to 3.5 million tons as it plans for this year.

Since early this year, the enterprise has put into use two new wells, bringing the total of its wells under exploitation to 11.

UN Officials Comment on Investment Potential

BK3103160591 Hanoi International Service in English 1000 GMT 29 Mar 91

[Text] As reported earlier, the Investment Forum for Vietnam concluded in Ho Chi Minh City recently. At the forum, 11 projects were licensed with the total investment capital of 341.6 million dollars. To help you understand more about Vietnam's ability [word indistinct] for investment in the assistance of international organizations to Vietnam, our radio correspondent interviewed some delegates to the forum.

Asked about the possibilities of investment in Vietnam, Mr. David Smith, representative of the United Nations Development Program [UNDP] in Vietnam said:

[Begin recording] The assessments are generally good. In the short term, it is easier for firms to invest in the south because they are used to business operations more in the south than up in the north. In the north, the economy went from a colonial dependency straight to a centralized command economy and so in the north they are not used to economic operations. In the south, they have more experience with economic operations. However in the medium to long term, there will be very profitable enterprises for which foreign capital can be used successfully, for example in the hotel industry in the north, the leather and shoe industries, the garment and textile industries. These are good prospects in the north. Things like pharmaceuticals and chemical industries I am a little bit more hesitant about but no doubt the foreign companies that examine prospects for pharmaceuticals and the chemical industries generally will have their own criteria on which to judge whether they want to come in to foreign equity participation at some time.

There is tremendous interest by foreign companies in investing in Vietnam, as were seen by having more than 600 foreign participants there, but you need a lot of patience on both sides and you do not just clinch a deal very quickly. You have to keep on coming back and establish good relationships. With a lot of patience and goodwill on both sides we should develop long, continuing relationships, not just quick profits on either side. I would say the prospects are generally good.

The American businesses, the oil companies are very interested in Vietnam, and of course it will depend on the U.S. lifting of the trade embargo for their investments to be realized. They have all but signed agreements for joint ventures in Vietnam, but just as a little clause saying subject to the lifting of the U.S. embargo—so if there is a lifting of the U.S. embargo next week or next month or in six month's time—those deals will be completed, so I would say pretty good.

As soon as the Bush administration moves—let's hope they move soon and they do not link it always to Cambodia, which is in my opinion not a very good linkage—there will be some very good deals made advantageous to Vietnam, not only just for those companies particularly for oil exploration with more advanced sophisticated technology for increasing oil production, but even from those wells which are presently being exploited under the Soviet-Vietnamese relationship. I understand there is a possibility of increasing production from the present oil fields being exploited by Vietnam and the Soviets together under joint venture. If one had a triple venture, I understand that the prospects are that just from those oil fields you could increase the production from about three million tonnes a year to about ten or 12 million tonnes, regardless of other lots which are being explored.

If the Bush administration does not move quickly the American businesses, particularly the oil companies, will be very mad because then the Government of Vietnam will conclude deals with the Japanese or other countries with advanced oil technology and they will lose the business, and they will go to other countries, so that is why the U.S businesses are pressing the Bush administration very hard to lift the trade embargo so they do not lose the business. [end of recording]

For his part, Mr. Bounami, representative for the United Nations Industrial Development Organization [UNIDO] which has sponsored the Investment Forum for Vietnam, had this to say about the renovation in Vietnam:

[Begin recording] [words indistinct] and my policy is because chance for Vietnam to get back to an international status and country linked with the external world. It is impossible in our time for a country to stay in complete isolation like Vietnam did, and even the links that Vietnam had developed with Eastern countries, which may change in the future with a change in the policy of Eastern countries, were not sufficient to insure that Vietnam could reach a level of development comparable to the rest of the world.

So it is really a big step ahead for the development of Vietnam. It is a great hope. I think that the government has shown in many ways its intention to make this policy a reality. I am not convinced that everybody is pushing in the same direction, and we sometimes see that often petty officials or lower level officials are not really doing everything they could to open the country and [words indistinct] policy implies, so there is still a lot of criticism from foreign investors coming into this country because of the process of getting licenses are very long, because the laws are not applied everywhere as they should be because sometimes the provincial authorities have started to do things their way, which is not the legal way. But in Vietnam you have no recourse. You accept it or you go to some other places. There is still room for complaints, but I must say that since I have been here I have always seen things going in the right direction with constant improvement. Of course, the most apparent fact is that you have started establishing a number of laws which did not exist previously, and these laws are very good because they establish the will of Vietnamese leaders to attract foreign investors. [end of recording]

Foreign Firms To Attend Import-Export Fair

BK0204074691 Hanoi VNA in English 0532 GMT 2 Apr 91

[Text] Hanoi VNA April 2—The National Import-Export Fair will be organized here from May 15-25, 1991 by the Ministry of Trade.

This is the first national fair of import-export goods with the participation of numerous import-export goods companies and production units of all economic sectors in the country.

A number of foreign companies from Japan, China, Hong Kong, Taiwan, Singapore, Italy, India, South Korea, and Germany have applied for participating in the fair.

VNA on Foreign Investment Projects in HCM City

BK0204074291 Hanoi VNA in English 0533 GMT 2 Apr 91

[Text] Hanoi VNA April 2—Over the past three years, Ho Chi Minh City has granted 84 licenses to foreign investment projects worth 361,446,000 U.S. dollars.

Of the total prescribed capital of 181,076,000 U.S. dollars, the foreign partners (from Britain, France, Italy, Japan, Germany, Taiwan, South Korea, Hong Kong, Singapore, Thailand, and India) should contribute 111,427,000 U.S. dollars. According to a report by the municipal financial service, by the end of 1990, the project sponsors had contributed more than 72 million U.S. dollars, accounting for 28.85 percent of the total prescribed capital.

Most of the foreign investment projects have focused on production of consumer goods for export and home consumption, gas and oil exploration, hotel construction and tourist services. In 1990, a large number of foreign projects were built.

Council Sets Up Agricultural, Forestry Committee

BK0304091491 Hanoi Domestic Service in Vietnamese 1430 GMT 1 Apr 91

[Text] In order to serve the socioeconomic development programs for the midlands and mountainous areas, recently the chairman of the Council of Ministers decided to set up a committee for formulation of midland and highland agricultural and forestry development projects made up of the following members:

Comrade Ngo The Dan, deputy minister of agriculture and food industry, as the chairman of the committee, with representatives from the State Planning Commission; the State Science and Technology Commission; the Ministry of Finance; the Ministry of Labor, War Invalids, and Social Welfare; the Ministry of Forestry; the Ministry of Water Conservancy; the Ministry of Communications, Transportation, Posts, and Telegraph; the Ministry of National Defense; the Office of Mountainous Areas; the Office of Nationalities; the Vietnam Association of Gardeners; the head of the Agricultural Project Planning Institute; and some general managers of federated enterprises and general companies of the Ministry of Agriculture and Food Industry.

The committee has responsibility to plan general projects for agriculture and for forestry development in the midland and mountainous areas, and to plan specialized projects for tree planting and animal breeding in stages until the year 2000.

Australia

PRC Media Ignore Hewson's Taiwan Visit

BK0104081091 Melbourne Overseas Service in English 0500 GMT 1 Apr 91

[Text] A visit to Taiwan by Australia's opposition leader Dr. John Hewson and senior business delegation members has been ignored by China's official media. A Radio Australia reporter in Canberra, Richard Andrews, says although the Chinese media did not report the story, Chinese correspondents in Australia have been providing details of the trip to senior officials in Beijing.

He says the representative of the XINHUA NEWS AGENCY in Canberra described the Hewson visit as not a proper action and the story unsuitable for publication within China.

The XINHUA representative said China was sorry about the trip to Taiwan and says he is sending reports to Beijing for the reference of senior officials. Radio Bejing's office in Sydney has taken a similar action and says it will not braodcast any story harmful to Sino-Australian relations.

PRC To Receive Air Navigation Technology

BK0204061691 Melbourne Overseas Service in English 0500 GMT 2 Apr 91

[Text] The Australian defense contractor, AWA Defense Industries, has gained a stake in China's aviation industry. It is transferring technology to a Chinese electronic firm to make sophisticated air navigation devices, including distance measuring equipment and very high frequency beacons.

The five-year agreement will allow the Australian firm to bid for other aviation contracts in China.

Australians See Indonesia as 'Military Threat'

BK0404062891 Hong Kong AFP in English 0600 GMT 4 Apr 91

[Text] Brisbane, Australia, April 4 (AFP)—One in five Australians believe Indonesia poses a military threat to this country, an academic said here Thursday.

Defence Force Academy academic Ian McAllister said his analysis of public and private opinion polls on defence related issues revealed more Australians were worried about Indonesia.

Mr. McAllister told a conference on defence and the media here that less than 10 per cent of Australians saw Indonesia as a threat in the late 1970s. But events in Timor and Irian Jaya "and Indonesia's increasing military capacity have made it seem a more potent military threat," Mr. McAllister said.

"As a result for the past decade around one in five have considered Indonesia a threat to Australia's security," he said.

Mr. McAllister said there had been a considerable drop in the number of people who saw countries such as Vietnam, China, the Soviet Union or Japan as threats.

Earlier, the United States Ambassador to Australia Mel Sembler, said Pacific and Asian countries would be expected to pay for continued U.S. protection under a proposed new regional security system.

Mr. Sembler told a conference dinner Wednesday the emerging concept was "co-operative vigilance" similar to alliances forged by the U.S. during the Gulf war.

"Under this concept we see a growing security partnership where all parties provide adequate financial contributions to common defence needs and show a credible degree of self-sufficiency," Mr. Sembler said.

"As we move toward this common security approach our alliances with Japan and Australia, as the northern and southern anchors, form a solid base for the transition," he said.

U.S. officials later told reporters Washington would expect Pacific region countries to help pay the costs of any U.S. military effort in the area, particularly in war. The officials said regional countries would still need to develop their own capabilities, and could not expect to buy U.S. troops as a security force.

Fiji

Striking Gold Miners Begin Three-Day Fast

BK3003063491 Hong Kong AFP in English 0537 GMT 30 Mar 91

[Text] Suva, March 30 (AFP)—Some 700 striking miners at an Australian-run gold mine have begun a hunger strike to press for better work and housing conditions, a union official said Saturday.

Kavekini Navuso, secretary of the Fiji Mineworkers Union, said the three-day hunger strike, which began Friday, was to demonstrate "solidarity in our demands.

"The workers felt our three-day fast will show our determination in what we stand for and what we're demanding," Mr. Navuso told reporters. He said the hunger strike would last until Sunday at the Australian Emperor Gold Mines Company Limited's Vatukoula mines on Fiji's west coast.

The strikers, who left their jobs February 27, are pressing for recognition of their union, improved working conditions and better housing for the families of nearly 1,200 local gold miners in Vatukoula, about 300 kilometres (180 miles) northwest of here.

Mr. Navuso said solidarity among the strikers "is growing all the time despite attempts by the company to break us up."

Emperor's Australian resident manager, Andrew Cullum, said despite the strike work at the mine was going ahead. He said Emperor would not be affected by a ban on the supply of fuel and oil imposed on it by the umbrella trade union body, the Fiji Trades Union Congress.

Emperor Gold Mining Company Sacks Strikers

BK0304170091 Hong Kong AFP in English 1617 GMT 3 Apr 91

[Text] Suva, April 3 (AFP)—Fiji's strikebound Emperor Gold Mining Company on Wednesday sacked 420 miners who have been on strike for more than a month demanding improved pay and conditions.

The resident manager of the Australian-owned company Andrew Cullum said the strikers had failed to comply with their conditions of employment and "had been warned about the consequences of their action."

The company had been "very patient and tolerant," but had to protect its interests and the industry, Mr. Cullum said.

But the sacked miners claimed the company was flouting the law and said through their lawyer, Mr. Haroon Ali Shah, that they would challenge the sackings in court.

Two weeks ago high court judge Justice Saunders ruled in favour of the miners in a judgment that declared there was a dispute between the Fiji Mine Workers' Union and the Emperor Gold Mining Company.

However the company has refused to recognise the union, saying it has no dispute with the workers.

The miners went to court over their right to picket the company premises located at Vatukoula, on Fiji's west coast.

Mr. Shah said the company could not sack the miners because they were exercising their legitimate right, under the trade dispute act, to strike.

The act is under judicial review after the Fiji Trade Union Congress last week challenged Industrial Relations Minister Taniela Veitata's decision to declare illegal a union ban imposed on the company.

Mr. Veitata said the government would not be intimidated into compromising its position in the administration of industrial relations laws.

New Zealand

MP Sees Broad Opposition to Spending Cuts

BK0204080891 Hong Kong AFP in English 0341 GMT 2 Apr 91

[Text] Wellington, April 2 (AFP)—A leading government backbench member of New Zealand's Parliament, Ross Meurant, warned Tuesday that the Government faces electoral defeat in 1993 unless its economic policies were quickly changed.

The MP's criticism of Finance Minister Ruth Richardson's policies came a day after the implementation of severe cuts to social welfare benefits.

Mr. Meurant said the cuts caused great discontent with the public, leading to growing concerns on the part of his caucus colleagues.

"You can keep cutting or go for growth," he said. "We should go for growth."

Ms. Richardson's policies of economic recovery through less restrictive labour laws and a more efficient educational system would take too long to be productive, Mr. Meurant added.

"We will eventually see increased productivity and reduced business costs, but these are five, if not 10, years away."

He said that if the government does not change course, the country would be in for a worse time than during the depression of the 1930s.

Political Infighting Rises Over Economic Policy

BK0404081891 Hong Kong AFP in English 0740 GMT 4 Apr 91

[Text] Wellington, April 4 (AFP)—The New Zealand Government faced increased strife within its own ranks Thursday when former Prime Minister Sir Robert Muldoon warned it faced defeat at the next election unless there was a change in economic policy.

Sir Robert, prime minister for nine years until the National Party was ousted in the 1984 general election, launched the strongest attack so far on Finance Minister Ruth Richardson. He still holds a national seat in parliament and he said discontent among backbench MPs was increasing.

"Unless there is a change, and soon, the prime minister will have to appoint a new minister of finance if he is to have any chance of winning in 1993," he said in a statement.

Neither Ms. Richardson nor Prime Minister Jim Bolger responded to the criticism but they are known to be worried about the rising tide of opposition to a strict monetary policy aimed at cutting the budget deficit. Unemployment benefits have been slashed and social welfare payments reduced since the government came to power in October last year.

Sir Robert has previously criticised economic policy, arguing that there must be moves to create economic growth and new jobs along with controls on government spending.

National holds 67 of the 97 seats in Parliament and Sir Robert is an influential figure among a small core of MPs, no more than about 12 at present, who perceive their support slipping away as the government implements its tough cost-cutting measures.

Last week another national backbencher, Ross Meurant, predicted a revolt among MPs and claimed that up to half were prepared to challenge economic policy.

Mr. Meurant said that without a new approach to create economic growth the country faced its worst experience since the depression of the 1930s.

So far Ms. Richardson has stayed with her target of balancing the budget and keeping inflation down, but she is likely to come under increasing pressure to relax her policies unless they begin to show some benefit in terms of job creation and economic growth.

Workers Protest Legislation Effective 1 May

BK0404085491 Hong Kong AFP in English 0436 GMT 4 Apr 91

[Text] Wellington, April 4 (AFP)—Striking teachers joined mass meetings and protest marches in New Zealand towns and cities Thursday as opposition escalated against government plans to overturn the country's industrial relations system.

Union leaders said most of the nation's 50,000 teachers and education workers walked out in support of the week of action against legislation due to come into force on May 1 abolishing compulsory unionism and putting in place contract bargaining between employers and their staff.

Nurses, meatworkers and government employees have also staged one-day strikes. Two major newspapers have lost editions and protest marches have halted traffic in some centres.

The government has said it has no intention of backing off and that the employment contracts bill will be signed into law.

The bill is a centerpiece in its drive to create economic growth by allowing employers much more flexible wage bargaining which it maintains will lead to increased productivity and improved international competitiveness.

But union leaders argued that abolishing the century-old system based on collective negotiations would drive down wages and that jealously-guarded conditions like special weekend pay rates would disappear.

They said that with the economy in recession and unemployment increasing most workers would be at the mercy of their employers, having little or no choice about accepting cut-rate wages.

When the National Party won a landslide election victory in October last year it said it had been given the mandate to reshape the economy and rid it of archaic union restrictions.

Papua New Guinea

Governor Authorizes Curfew on Western Highlands

BK0304070891 Melbourne Overseas Service in English 0500 GMT 3 Apr 91

[Text] Papua New Guinea's governor general, Sir Vincent Eri, has formally authorised a curfew to be imposed in the Western Highlands Province. It begins on Friday this week and restricts people in the Western Highlands to their homes from 8 in the evening to 5 in the morning.

The Western Highlands Provice is the second area in Papua New Guinea to come under a curfew since the government announced measures to curb the law and order problem last month.

The National Capital District, or Port Moresby, has been under a curfew since 20 March.

Official Irked by Proposal To Recruit Gurkhas

BK0304072291 Melbourne Overseas Service in English 0500 GMT 3 Apr 91

[Text] A spokesman for Papua New Guinea's Defense Department, Mr. (Federa Samosa), says a proposal to recruit Nepalese Gurkhas is seen as as a blow to the pride and integrity of PNG Defense Forces. He was commenting on a recent proposal by PNG's forestry minister, Karl Stack, that the government should spend U.S.$50 million a year to recruit 8,000 Gurkhas to train members of the National Guard in PNG. More from Radio Australia's Richard Andrews in Brisbane:

[Begin Andrews recording] Mr. (Samosa) says the recruitment of foreign mercenaries would not be a welcome sight, and PNG's Police and Defense Forces are capable of handling the nation's law and order crisis. He said the money would be better spent giving them extra support.

Mr. (Samosa) is attending a defense conference in Brisbane which is trying to reconcile a clash of interests between the media and the military during war time. He says PNG's Bougainville conflict has created tensions (?which he hopes) the conference will help solve them. [end recording]

Opposition Views Plan To Sell Stake in Mine

BK0404073891 Melbourne Overseas Service in English 0500 GMT 4 Apr 91

[Text] The opposition in Papua New Guinea has ridiculed a plan by the foreign minister, Sir Michael Somare, to sell their controlling stake in the Bougainville copper mine held by the big Australian mining company CRA [Conzinc Riopinco of Australia, Ltd.]. A statement issued by the opposition describes the plan as a big joke.

Opposition spokesman, Mr. (Muscat Yongaleo), said the most important thing for the government to do was to reestablish stability in Bougainville. Mr. (Yongaleo) said the government was adding more fuel to Bougainville's fire by negotiating with an American investor J. Pitzker before there's consultation with Panguna landowners.

But in a separate statement, Mr. (Yongaleo) supported the call by Sir Michael that the country should look to processing its raw materials before export. The statement said processing would greatly enhance manufacturing industries, trade, employment, and increase the benefits from exploiting of Papua New Guinea's natural resources. Mr. (Yongaleo) suggested that the government ban all log exports within two years so the country could profit by processing the timber itself.